

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF OHIO
3 EASTERN DIVISION

4 -----)
5 IN RE: NATIONAL) MDL No. 2804
6 PRESCRIPTION OPIATE)
7 LITIGATION) Case No.
8 -----) 1:17-MD-2804
9)
10 THIS DOCUMENT RELATES TO) Hon. Dan A. Polster
11 ALL CASES)
12 -----)

13 HIGHLY CONFIDENTIAL
14 SUBJECT TO FURTHER CONFIDENTIALITY REVIEW

15 VIDEOTAPED DEPOSITION OF
16 TASHA POLSTER
17 January 23, 2019
18 Chicago, Illinois

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20
21
22
23 GOLKOW LITIGATION SERVICES
24 877.370.3377 ph | 917.591.5672 fax
 deps@golkow.com

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<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5 The videotaped deposition of TASHA POLSTER,</p> <p>6 called by the Plaintiffs for examination, taken</p> <p>7 pursuant to the Federal Rules of Civil Procedure of</p> <p>8 the United States District Courts pertaining to the</p> <p>9 taking of depositions, taken before CORINNE T.</p> <p>10 MARUT, C.S.R. No. 84-1968, Registered Professional</p> <p>11 Reporter and a Certified Shorthand Reporter of the</p> <p>12 State of Illinois, at the offices of Bartlit Beck</p> <p>13 LLP, Suite 600, 54 West Hubbard Street, Chicago,</p> <p>14 Illinois, on January 23, 2019, commencing at 9:16</p> <p>15 a.m.</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>	<p>1 APPEARANCES (Continued):</p> <p>2 ON BEHALF OF JOHNSON & JOHNSON,</p> <p>3 JANSSEN PHARMACEUTICALS, INC.,</p> <p>4 ORTHO-McNEIL-JANSSEN PHARMACEUTICALS, INC.</p> <p>5 n/k/a JANSSEN PHARMACEUTICALS, INC.;</p> <p>6 JANSSEN PHARMACEUTICA, INC. n/k/a JANSSEN</p> <p>7 PHARMACEUTICALS, INC.:</p> <p>8 TUCKER ELLIS LLP</p> <p>9 950 Main Avenue, Suite 1100</p> <p>10 Cleveland, Ohio 44113-7213</p> <p>11 216-696-3950</p> <p>12 BY: SAVANNAH M. FOX, ESQ.</p> <p>13 s.fox@tuckerellis.com</p> <p>14 (via telephone/livestream)</p> <p>15 ON BEHALF OF ENDO HEALTH SOLUTIONS INC. and</p> <p>16 ENDO PHARMACEUTICALS, INC.,</p> <p>17 PAR PHARMACEUTICAL, INC., and PAR PHARMACEUTICAL</p> <p>18 COMPANIES, INC. (f/k/a Par Pharmaceutical</p> <p>19 Holdings, Inc.):</p> <p>20 ARNOLD & PORTER KAYE SCHOLER LLP</p> <p>21 601 Massachusetts Avenue, NW</p> <p>22 Washington, DC 20001-3743</p> <p>23 202-942-5000</p> <p>24 BY: RYAN Z. WATTS, ESQ.</p> <p>ryan.watts@arnoldporter.com</p> <p>ON BEHALF OF McKESSON CORPORATION:</p> <p>TABET DIVITO & ROTHSTEIN LLC</p> <p>209 South LaSalle Street, 7th Floor</p> <p>Chicago, Illinois 60604</p> <p>312-762-9461</p> <p>BY: DANIEL L. STANNER, ESQ.</p> <p>dstanner@tdrlawfirm.com</p> <p>KYLE A. COOPER, ESQ.</p> <p>kcooper@tdrlawfirm.com</p>
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<p>1 ALSO PRESENT:</p> <p>2 ALEXANDRA M. GARLOCK, Paralegal agarlock@levinlaw.com</p> <p>3 KAROLYNN SCHNEEGAS, Paralegal kschneegas@levinlaw.com</p> <p>4 Levin Papantonio Thomas Mitchell Rafferty & Proctor P.A.</p> <p>5</p> <p>6 MICHAEL TOTH, Trial Technician</p> <p>7</p> <p>8</p> <p>9</p> <p>10 VIDEOTAPED BY: BEN STANSON</p> <p>11 REPORTED BY: CORINNE T. MARUT, C.S.R. No. 84-1968</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>	<p>1 E X H I B I T S</p> <p>2 WALGREENS-POLSTER EXHIBIT MARKED FOR ID</p> <p>3 No. 9 7/2/12 e-mail with attachment; 162 WAGMDL00077015 - 00077023</p> <p>4</p> <p>5 No. 10 6/23/08 memo; 180 WAGMDL00624503 - 00624509</p> <p>6 No. 11 10/27/11 e-mail with 192 attachment; WAGMDL00119542 - 00119548</p> <p>7</p> <p>8 No. 12 4/27/12 e-mail with 205 attachment; WAGMDL00119539 - 00119541</p> <p>9</p> <p>10 No. 13 8/9/17 e-mail string; 211 WAGMDL00006645 - 00006652</p> <p>11</p> <p>12 No. 14 10/12/12 e-mail with 216 attachments; WAGMDL00319129 - 00319239</p> <p>13</p> <p>14 No. 15 11/9/12 e-mail string; 225 WAGMDL00658246 - 00658248</p> <p>15 No. 16 3/20/13 e-mail with 231 attachment; WAGMDL00574824 - 00574825</p> <p>16</p> <p>17 No. 17 12/16/12 e-mail string with 233 attachments; WAGMDL00659270 - 00659274</p> <p>18</p> <p>19 No. 18 10/1/12 e-mail string; 254 WAGMDL00705318 - 00705320</p> <p>20</p> <p>21 No. 19 8/26/09 Project Request 260 Estimate; WAGMDL00492067 - 00492069</p> <p>22</p> <p>23</p> <p>24</p>
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<p>1 I N D E X</p> <p>2 TASHA POLSTER EXAMINATION</p> <p>3 BY MR. MOUGEY..... 12</p> <p>4 BY MR. HOUTZ..... 367</p> <p>5</p> <p>6</p> <p>7 E X H I B I T S</p> <p>8 WALGREENS-POLSTER EXHIBIT MARKED FOR ID</p> <p>9 No. 1 11/13/17 e-mail string with 12 attachments; WAGMDL00064176 - 00064185</p> <p>10</p> <p>11 No. 2 Binder of Documents, 39 "Settlement and Memorandum of Agreement," et al.; first page is WAGMDL00490963</p> <p>12</p> <p>13</p> <p>14 No. 3 Ven diagram drawn by 86 Peter Mougey</p> <p>15 No. 4 Tasha Polster, LinkedIn 112 profile</p> <p>16</p> <p>17 No. 5 1/28/13 memo; WAGMDL00708763 117</p> <p>18</p> <p>19 No. 6 2/8/13 e-mail string; 131 WAGMDL00101769 - 00101770</p> <p>20</p> <p>21 No. 7 4/19/13 e-mail with 135 attachment; WAGMDL00245768 - 00245769</p> <p>22</p> <p>23 No. 8 8/9/13 e-mail string; 158 WAGMDL00021425 - 00021427</p> <p>24</p>	<p>1 E X H I B I T S</p> <p>2 WALGREENS-POLSTER EXHIBIT MARKED FOR ID</p> <p>3 No. 20 11/5/12 e-mail string; 264 WAGMDL00113808 - 00113810</p> <p>4</p> <p>5 No. 21 9/28/12 e-mail with 285 attachment; WAGMDL00113816 - 00113820</p> <p>6</p> <p>7 No. 22 Document, "MartinB, Threshold 306 Violations-Monthly"; WAGMDL00674623</p> <p>8</p> <p>9 No. 23 Spreadsheet; 308 WAGMDL00673894</p> <p>10 No. 24 1/21/13 e-mail string; 321 CAH_MDL2804_00783520 - 00783522</p> <p>11</p> <p>12 No. 25 5/23/16 e-mail with 328 attachment; WAGMDL00010887 - 00010924</p> <p>13</p> <p>14 No. 26 6/19/13 e-mail with 356 attachments; WAGMDL00316771 - 00316785</p> <p>15</p> <p>16 No. 27 2/19/13 e-mail string; 358 WAGMDL00101723 - 00101732</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>

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1 THE VIDEOGRAPHER: We are now on the record.
2 My name is Ben Stanson. I am a videographer for
3 Golkow Litigation Services.

4 Today's date is January 23, 2019, and
5 the time is 9:16 a.m.

6 This video deposition is being held in
7 Chicago, Illinois, in the matter of the National
8 Prescription Opiate Litigation, MDL No. 2804,
9 pending in the U.S. District Court, Northern
10 District of Ohio, Eastern Division.

11 The deponent is Tasha Polster.

12 Will counsel please identify themselves
13 for the record.

14 MR. MOUGEY: Peter Mougey, Levin Papantonio,
15 for the Plaintiffs.

16 MS. GARLOCK: Alexandra Garlock for the
17 Plaintiffs.

18 MS. SCHNEEGAS: Karolynn Schneegas for the
19 Plaintiffs.

20 MS. SCHUCHARDT: Margaret Schuchardt, Jaszczuk
21 PC, for AmerisourceBergen Drug Corporation.

22 MS. FIX MEYER: Julie Fix Meyer, Armstrong
23 Teasdale, for Cardinal Health.

24 MR. COOPER: Kyle Cooper on behalf of McKesson

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1 Corporation.

2 MS. LIABO: Miriam Liabo from Jones Day on
3 behalf of Walmart.

4 MR. STOFFELMAYR: Kaspar Stoffelmayer for
5 Walgreens.

6 MR. HOUTZ: Les Houtz from Bartlit Beck for
7 Walgreens.

8 THE VIDEOGRAPHER: Counsel on the phone, if
9 you will announce yourselves for the record,
10 please.

11 MS. LEWIS: Good morning. This is Sarah Lewis
12 from Hahn Loeser & Parks on behalf of Mallinckrodt.

13 MR. WATTS: This is Ryan Watts from Arnold &
14 Porter on behalf of Endo Health Solutions, Inc.,
15 Endo Pharmaceuticals, Inc., Par Pharmaceutical,
16 Inc. and Par Pharmaceutical Company, Inc.

17 MS. FOX: Savannah Fox from Tucker Ellis on
18 behalf of Janssen and Johnson & Johnson.

19 THE VIDEOGRAPHER: Thank you. Our Court
20 Reporter today is Corinne Marut. Will you please
21 swear in the witness.

22 (WHEREUPON, the witness was duly
23 sworn.)
24

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1 TASHA POLSTER,
2 called as a witness herein, having been first duly
3 sworn, was examined and testified as follows:

4 EXAMINATION

5 BY MR. MOUGEY:

6 Q. Good morning, Ms. Polster. My name is
7 Peter Mougey. I am with Levin Papantonio on behalf
8 of the Plaintiffs.

9 I hand you what we'll mark as Polster 1.

10 (WHEREUPON, a certain document was
11 marked as Walgreens-Polster Exhibit
12 No. 1: 11/13/17 e-mail string with
13 attachments; WAGMDL00064176 -
14 00064185.)

15 BY MR. MOUGEY:

16 Q. Before we turn to Polster 1, you have
17 been employed by Walgreens since the beginning of
18 1982, correct?

19 A. End of 1982, yes.

20 Q. When you were still an undergrad, you
21 started working at Walgreens as a cashier and
22 various different roles while you were still
23 pursuing your academic degree, correct?

24 A. I was in high school.

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1 Q. And you continued and have continued
2 working for Walgreens in various capacities all the
3 way up to the present time, correct?

4 A. Correct.

5 Q. So, from 1982 to today, approximately 36
6 years, you've been employed by Walgreens in various
7 roles, correct?

8 A. Yes.

9 Q. And your undergraduate degree was a B.S.
10 in pharmacy, correct?

11 A. Correct.

12 Q. And you finished your degree in I
13 believe it was 1986 -- 1989, correct?

14 A. Yes.

15 Q. UC-Boulder?

16 A. Yes.

17 Q. And then you pursued a number of
18 positions within Walgreens using your academic
19 background primarily in roles related around the
20 pharmacy, correct?

21 A. Yes.

22 Q. And what I've handed in front of you,
23 you should have in front of you is Polster 1, I
24 believe, is one example of a resume or CV, a

<p style="text-align: right;">Page 14</p> <p>1 document elaborating on your background.</p> <p>2 Do you recognize that document?</p> <p>3 A. Yes.</p> <p>4 Q. Did you put -- are you familiar with the</p> <p>5 contents?</p> <p>6 A. Yes.</p> <p>7 Q. You put this together?</p> <p>8 A. Yes.</p> <p>9 Q. And is this an accurate reflection of</p> <p>10 the -- of your resume or CV?</p> <p>11 A. Yes, it is.</p> <p>12 Q. And today what we are primarily here to</p> <p>13 talk about is Walgreens in its capacity as a</p> <p>14 distributor and the -- what I believe on your</p> <p>15 resume encompasses that time period is on the first</p> <p>16 page, Bates No. -- bottom right corner. I am going</p> <p>17 to refer to the last three digits. The full number</p> <p>18 is WAGMDL64180. It's page 3 of the document. Are</p> <p>19 you with me?</p> <p>20 A. Yes.</p> <p>21 Q. And Walgreens Company at the bottom,</p> <p>22 "Deerfield, Illinois, Senior Director,</p> <p>23 Pharmaceutical Integrity and Third Party</p> <p>24 Operations, 2012 to 2014," correct?</p>	<p style="text-align: right;">Page 16</p> <p>1 pages here.</p> <p>2 Would you agree with me generally that</p> <p>3 your background after your degree up and to</p> <p>4 Pharmaceutical Integrity was driven by both</p> <p>5 in-store pharmacy operations and then growing into</p> <p>6 more of an operational role where you took the</p> <p>7 director of pharmacy operations optimization in</p> <p>8 2007? Is that a fair description generally of your</p> <p>9 background?</p> <p>10 A. Yes.</p> <p>11 Q. So, if we go through a little more</p> <p>12 detail, starting -- and you have a block at the</p> <p>13 bottom of the page, '82 to '97, you worked your way</p> <p>14 up from high school through college into a cashier,</p> <p>15 a pharmacy intern, a staff pharmacist and then a</p> <p>16 pharmacy manager, correct?</p> <p>17 A. Yes.</p> <p>18 Q. That gets us all the way to 1997,</p> <p>19 correct?</p> <p>20 A. Yes.</p> <p>21 Q. And in 1997 you became a pharmacy</p> <p>22 supervisor here in Chicago, Illinois, correct?</p> <p>23 A. No. That's not correct. I opened the</p> <p>24 Kansas City market, and then eventually moved to</p>
<p style="text-align: right;">Page 15</p> <p>1 A. Yes.</p> <p>2 Q. And this is the period of time that you</p> <p>3 were selected to run a new department ultimately</p> <p>4 titled Pharmaceutical Integrity, correct?</p> <p>5 A. Correct.</p> <p>6 Q. And you along with other individuals at</p> <p>7 Walgreens built that department from the ground up,</p> <p>8 correct?</p> <p>9 A. Yes.</p> <p>10 Q. Meaning you were named or identified</p> <p>11 first to run the department and you developed,</p> <p>12 first, kind of a mission, correct?</p> <p>13 A. Yes.</p> <p>14 Q. And then an organizational structure</p> <p>15 with support in order for you to achieve the</p> <p>16 mission that was identified, correct?</p> <p>17 A. Yes.</p> <p>18 Q. And then you went through a series of</p> <p>19 interviews of others, predominantly also within</p> <p>20 Walgreens, to help fill out that organizational</p> <p>21 structure, correct?</p> <p>22 A. Yes.</p> <p>23 Q. Now, your experience prior to</p> <p>24 Pharmaceutical Integrity, it's got a couple single</p>	<p style="text-align: right;">Page 17</p> <p>1 Chicago a few years after that.</p> <p>2 Q. The third bullet in that entry is</p> <p>3 "Opened the Kansas City market (also supervised</p> <p>4 stores" -- "existing stores in Wichita)"?</p> <p>5 A. Yes.</p> <p>6 Q. And then ultimately moved back up to</p> <p>7 Chicago as a pharmacy supervisor, correct?</p> <p>8 A. Correct.</p> <p>9 Q. And, now, the next entry was pharmacy --</p> <p>10 manager, pharmacy operating systems. Would you</p> <p>11 just explain to me in general what you mean by</p> <p>12 "operating systems."</p> <p>13 A. Sure. It were -- it was systems that</p> <p>14 pharmacists used that were outside of the</p> <p>15 dispensing operating system. So, how they logged</p> <p>16 payroll was a big part of it and store scheduling,</p> <p>17 how the markets would schedule pharmacists to fill</p> <p>18 shifts in their stores; and then there was a lot of</p> <p>19 disaster relief efforts that happened at the time</p> <p>20 because Hurricane Katrina was going on.</p> <p>21 Q. So, anything inside the store, kind of</p> <p>22 day-to-day management of the store from inventory</p> <p>23 to scheduling to ensure the smooth operations</p> <p>24 within one of the physical locations?</p>

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1 A. Not inventory per se. Basically if it
2 didn't -- if it didn't have to do with the
3 prescription operating system, it usually fell on
4 to my team, to me and my team.

5 So, scheduling and how we pay
6 pharmacists, making sure that the payroll was sent
7 over to the department that, you know, paid out the
8 pharmacists and making sure we didn't underpay or
9 overpay pharmacists.

10 Q. Okay. The next position covers almost
11 an entire page, Walgreens Company, director,
12 pharmacy operations optimization. I'm assuming
13 that was a promotion?

14 A. Yes.

15 Q. And essentially what you did in your
16 previous role as an operating systems manager but
17 you had ascended to more of a managerial role
18 overseeing a number of stores?

19 A. Overseeing a team that helped develop
20 programs and for all the stores in the nation.

21 Q. And those programs included training on
22 "oversight of processes, procedures, implementing
23 organization of strategic initiatives for all
24 retail pharmacies, translated major strategic and

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1 retail pharmacy operational initiatives into
2 deployable and early adoption models based upon
3 assessments of training needs."

4 I read that from your resume. Did I get
5 that right?

6 A. Yeah, that's correct. I had -- of all
7 the programs and procedures or policies that we
8 would put in place were policies that were new, of
9 newly developed programs.

10 Q. So, A, communicating and, B, rolling out
11 initiatives from corporate to the stores across the
12 country?

13 A. Correct.

14 Q. And the second paragraph underneath that
15 description was also your "insight into pharmacy
16 remodels, designs and layout to ensure targeted
17 fiscal and operational objectives, directed the
18 creation of metrics for retail pharmacy operations
19 and assess/measure performance to identify
20 performance trends." Correct?

21 A. Yes.

22 Q. Walk me through, just briefly, the
23 pharmacy remodels, designs and layouts. That kind
24 of caught my eye. Something to me I thought was

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1 different than the rest of your resume.

2 A. Sure.

3 Q. Explain to me a little more about what
4 that entailed.

5 A. So, we have what we call workflow back
6 in our pharmacy departments where we look to make
7 sure that the equipment is lined up in a way that
8 makes sense for the pharmacy staff to make it the
9 most efficient so people aren't tripping all over
10 each other or, you know, the flow of the patients
11 to the cash register makes sense. We'll make sure
12 that we have the proper number of computers per
13 employees that are back there.

14 So, my team would work on ensuring that
15 if we had a new store that the equipment was placed
16 appropriately, that if the volume of the store
17 started to increase, we would add additional work
18 stations or phones so the employees could do their
19 job as efficiently as possible.

20 Q. That process was designed or
21 operating -- let me do that another way.

22 That process was designed to identify
23 the most efficient layout for the Walgreens stores
24 for customer workflow and for employees to be able

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1 to undergo their jobs in the most efficient manner
2 possible?

3 A. Yes.

4 Q. And is that something you had a
5 background or training in prior to taking on that
6 role?

7 A. No, other than experience in the stores
8 previously.

9 Q. And the next paragraph, "Led the
10 development and deployment of training, new and
11 recurrent, for pharmacists and pharmacy technicians
12 based upon operational changes, pharmacy
13 acquisitions and regulatory requirements."

14 Would you explain to me in a little more
15 detail what you mean in that first sentence of the
16 third paragraph on Bates No. 80.

17 A. Yes. So, if we rolled out a new program
18 that required training, my team would put it
19 together. We would put forth communications and
20 training out to the stores.

21 In terms of recurrent, if something
22 changed in the state from a regulatory nature and
23 we needed to update a policy or a training, that
24 would go through my team; and then we would update

<p style="text-align: right;">Page 22</p> <p>1 it to the new regulation, and we would send it out 2 to the stores.</p> <p>3 Q. What I saw is a theme looking through 4 your resume, in addition to your background as a 5 pharmacist and your BS in pharmacy from Colorado, 6 was that you appeared to be involved in rolling out 7 initiatives starting in a more of a store and then 8 district and then national level. Is that an 9 accurate statement?</p> <p>10 A. Yes.</p> <p>11 Q. And that obviously you have a strong 12 skill set in communication, team building and 13 organizational skills enough to kind of get a 14 company like Walgreens with several thousand stores 15 moving in the same direction at the same time. Is 16 that a fair assessment?</p> <p>17 A. Yes.</p> <p>18 Q. So, your skill set, twofold, and I'm 19 sure you have more than two, but if we are going to 20 put them in two buckets, one was that kind of 21 technical pharmaceutical background with your 22 degree from Colorado and then, secondly, operations 23 communications side where you were highly 24 organized, communicated well and helped roll out</p>	<p style="text-align: right;">Page 24</p> <p>1 posted on the -- on our website that they were 2 posting a leader for this particular team, and I 3 applied for it.</p> <p>4 Q. Is that how you identified new 5 opportunities through your career at Walgreens that 6 you would somewhat monitor whatever new positions 7 were available?</p> <p>8 A. Sometimes. You know, I had been in my 9 current role for a long time. So, when I heard 10 that there was an opportunity to do something 11 different, I applied for the role.</p> <p>12 Q. And who called for the cross-functional 13 meeting?</p> <p>14 A. I don't remember.</p> <p>15 Q. Do you remember who set it up?</p> <p>16 A. No.</p> <p>17 Q. And do you recall who attended?</p> <p>18 A. I recall some of the people who 19 attended.</p> <p>20 Q. Okay.</p> <p>21 A. You know, Rex Swords was there. There 22 was another leader at the time who is no longer 23 with Walgreens. Her name was Suzanne. There were 24 some loss prevention people. Ed Svihra is one of</p>
<p style="text-align: right;">Page 23</p> <p>1 and get momentum for initiatives that were coming 2 out of corporate.</p> <p>3 Are those two kind of general 4 categories?</p> <p>5 A. Yes.</p> <p>6 Q. Now, I didn't see anything in your 7 resume that you were heavily involved in, for 8 example, compliance with any regulatory functions 9 at the -- at Walgreens. Is that fair?</p> <p>10 A. Fair.</p> <p>11 Q. All right. And meaning you weren't at 12 any point in time doing the deep dive on Walgreens' 13 processes and procedures to ensure they were 14 compliant with federal or state law. Is that fair?</p> <p>15 A. Yes.</p> <p>16 Q. All right. So, you were -- who asked 17 you in 2012 would you consider becoming a part of 18 the Pharmaceutical Integrity Department?</p> <p>19 A. In 2012 there was a group of people that 20 was cross-functional that was asked to come to a 21 meeting and we all went to the meeting, started 22 rolling up our sleeves to do some work.</p> <p>23 And then as the time progressed, a -- 24 this was very late 2012 -- a job opportunity was</p>	<p style="text-align: right;">Page 25</p> <p>1 them, and he is no longer with Walgreens. I can't 2 remember everybody that was there.</p> <p>3 Q. Now, which -- do you remember anyone 4 else other than Rex, Suzanne and Ed Svihra?</p> <p>5 A. Not -- no.</p> <p>6 Q. Do you remember Suzanne's last name?</p> <p>7 A. Hansen.</p> <p>8 Q. And do you remember which department she 9 was in?</p> <p>10 A. She led the pharmacy department at the 11 time.</p> <p>12 Q. I'm sorry. I am drawing a blank in 13 which department Rex was in.</p> <p>14 A. The same one.</p> <p>15 Q. Pharmacy?</p> <p>16 A. Yeah, he reported in to Suzanne at the 17 time.</p> <p>18 Q. Okay. Now, did you know Rex or Suzanne 19 prior to this meeting?</p> <p>20 A. Yes, I did.</p> <p>21 Q. And did you know him well?</p> <p>22 A. I -- all three of us had been with 23 Walgreens for a very long time and although I 24 didn't work directly for them, we all crossed paths</p>

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1 because we were all in the same department.
 2 Q. I am still struggling with Walgreens'
 3 organizational structure. So, if you could help me
 4 just a little bit understand.

5 Which department would you have
 6 considered yourself in up until 2012 when you
 7 became the senior director for Pharmaceutical
 8 Integrity?

9 A. I was in the pharmacy department, but
 10 there were many direct reports. So, direct reports
 11 of Suzanne. So, Rex was a direct report of
 12 Suzanne. My boss at the time was a direct report
 13 of Suzanne. She led the department. And then
 14 there were a lot of vice presidents, and then I was
 15 under a vice president.

16 Q. Before Pharmaceutical Integrity, who
 17 were you -- who was your direct report? Who did
 18 you report to?

19 A. Rick Gates.

20 Q. If you had to give me a 30,000-foot view
 21 of what you believe that the pharmacy department
 22 did at Walgreens, can you do that?

23 A. Sure. Basically anything that touches
 24 the pharmacy in terms of customer service,

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1 sometimes, you know, ensuring that the field has
 2 access to policies and procedures. They have
 3 access to training. They have support needed from
 4 a workflow perspective, from an IT perspective.

5 We're kind of the liaison for the field,
 6 whether it's store level or leadership in the
 7 region or division to help troubleshoot anything
 8 that the stores are needing.

9 Q. Now, are you familiar with loss
 10 prevention, the group within Walgreens?

11 A. Yes.

12 Q. And have you worked through the years
 13 kind of closely with loss prevention?

14 A. It depended on my job at the time. I
 15 worked closer with them when I was in the field
 16 because if I had a loss prevention issue, I would
 17 work with my loss prevention manager to help solve
 18 it. When I came to my role between '07 and '12, we
 19 rarely crossed paths.

20 Q. Prior to '07 when you were more at the
 21 store level, not higher up in the organizational
 22 structure, but more store level, you worked on
 23 issues as they arose with loss prevention?

24 A. Correct.

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1 Q. For example, if there was a theft or if
 2 there was some issue that brought loss prevention
 3 into the store, an investigation, that would be
 4 examples of when you would deal with loss
 5 prevention?

6 A. Yes.

7 Q. Any other examples that you would?

8 A. No.

9 Q. Now, do you have an understanding of
 10 just generally how loss prevention is set up, like
 11 organizationally?

12 MR. HOUTZ: What time period?

13 MR. MOUGEY: Doesn't matter.

14 BY THE WITNESS:

15 A. Well, I know they're, you know, set up
 16 just like the pharmacy department is set up, right,
 17 where you've got a group vice president, vice
 18 presidents and then directors, managers, field
 19 folks that are on the ground, you know, at the
 20 local level.

21 BY MR. MOUGEY:

22 Q. Do that one more time. You said group
 23 vice presidents?

24 A. Yeah, a group vice president and then

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1 the vice president. Then there will be directors.

2 Q. Okay.

3 A. And managers down to field level folks.

4 Q. Do you have an understanding of how many
 5 different groups there were? You say group vice
 6 president.

7 A. Well, there is one group vice president
 8 that oversees the entire division of loss
 9 prevention, and then I don't know how many
 10 managers -- or vice presidents they would have or
 11 directors.

12 And then at a local level, depending on
 13 how many stores are in that area, you'll have, you
 14 know, the number of field base folks to help
 15 support the number of stores that are there.

16 Q. So, the group vice president meant that
 17 that was the loss prevention, the group, that was
 18 who ran loss prevention, so to speak?

19 A. Correct.

20 Q. Do you have an understanding of what
 21 their, if I use the word mission or charge, what
 22 their scope of responsibility was?

23 A. No.

24 Q. When you were in the field, so prior to

<p style="text-align: right;">Page 30</p> <p>1 '07 when you ran kind of -- came into contact with 2 loss prevention, it was in the context of thefts in 3 the stores or some issue with shrinkage or 4 something along those lines? 5 A. Yes, or injury, you know, if a patient 6 fell in a store, loss prevention would be notified 7 as well as, you know, the local leadership. 8 Q. And you were dealing up until '07, when 9 you were still in the field, you were dealing 10 predominantly with more of the director, manager, 11 field level? 12 A. Ask the question again, please. 13 Q. When you were -- when you were still in 14 the field, up until manager of pharmacy operating 15 systems, '03-'07, you said that you still had some 16 contact with loss prevention. Am I getting that 17 right or did I mix up my timeline? 18 A. Before -- before '03, when I was in the 19 pharmacy supervisor role, the interaction that I 20 had with our loss prevention was if there was a 21 theft or a loss at a store, if there was a robbery 22 at a store or an injury at a store. 23 Q. All right. So, let's go back to the 24 cross-functional meeting. And how many people do</p>	<p style="text-align: right;">Page 32</p> <p>1 that it had happened and then figure out what the 2 next steps were. 3 Q. I'm sorry if I already asked you this, 4 but do you recall who led that meeting? 5 A. I don't. 6 Q. All right. And, so, next steps. Was 7 the group able to ascertain kind of action items or 8 follow-up items at the conclusion of the meeting? 9 A. Well, there were a lot of meetings. 10 Q. Okay. 11 A. But, you know, we did come away with 12 next steps that each of us -- each of us had to do. 13 But, boy, I couldn't tell you every one of them. 14 Q. All right. How many meetings do you 15 think there were? 16 A. Oh, my goodness. A lot. 17 Q. A few a week? 18 A. Yes. 19 Q. And it was -- there was a sense of 20 urgency after the Order to Show Cause was received? 21 A. Yes. 22 Q. And that was -- that Order to Show 23 Cause, I think you're referring to, the 24 distribution center was the Jupiter distribution</p>
<p style="text-align: right;">Page 31</p> <p>1 you recall being at that meeting? Even if you 2 don't remember everyone's names, just estimate. 3 A. The room was about this size, and I 4 would say it was about this same number of people. 5 So, maybe eight to ten maybe. 6 Q. Okay. And do you remember generally 7 what the purpose of the meeting was? 8 MR. HOUTZ: Object on foundation. 9 BY THE WITNESS: 10 A. We had received the Order to Show Cause 11 at one of the distribution centers, and it was 12 based on that. 13 BY MR. MOUGEY: 14 Q. Would you say it was reactive in 15 response to the Order to Show Cause? 16 MR. HOUTZ: Object to form. 17 BY THE WITNESS: 18 A. I don't know about "reactive," but that 19 was the premise of the meeting. 20 BY MR. MOUGEY: 21 Q. Okay. And you say it was the premise of 22 the meeting. Was it just tell everyone that we 23 received an Order to Show Cause? 24 A. And it was to let the working team know</p>	<p style="text-align: right;">Page 33</p> <p>1 center in Florida, correct? 2 A. Yes. 3 Q. And were the meetings in the Walgreens 4 corporate office in Deerfield? 5 A. Yes. 6 Q. And roughly, I'm sure the same people 7 weren't at every meeting, but roughly the same 8 group of people or did it change over time? 9 A. It changed over time. 10 Q. And do you recall who else was added to 11 that group other than the list you gave me? 12 A. Well, there were people added. My team 13 was added as I started hiring people in. You know, 14 operation folks were brought in to help us with the 15 communication down to field level. 16 Q. Now, when you say "my team was added," 17 are you referring to Pharmaceutical Integrity? 18 A. Yes. 19 Q. So, when I asked you earlier about what 20 some of the take-aways were, I'm assuming that 21 early in this process there was a decision to form 22 a group? 23 MR. HOUTZ: Object to form. 24 BY MR. MOUGEY:</p>

<p style="text-align: right;">Page 34</p> <p>1 Q. Probably wasn't named Pharmaceutical 2 Integrity at that point in time, but that was going 3 to oversee the suspicious order monitoring process, 4 is that fair? 5 MR. HOUTZ: Object to form. 6 BY THE WITNESS: 7 A. Not oversee suspicious order monitoring 8 per se, but to have an all-encompassing team and a 9 single point of contact during that time frame. 10 BY MR. MOUGEY: 11 Q. All right. Tell me what you mean by 12 "all-encompassing team." All-encompassing what? 13 A. So, my team for Pharmaceutical Integrity 14 does a lot more than controlled substance order 15 monitoring. We are the single point of contact for 16 the DEA. We pull data for subpoenas. We are a 17 resource for the field for DEA audits. Law 18 enforcement sometimes will contact us to get 19 prescription data for a certain store. We manage 20 the controlled substance inventory counts that 21 happen annually. 22 I know I'm not going to list off 23 everything my team does. 24 Q. That's okay. I believe one of the first</p>	<p style="text-align: right;">Page 36</p> <p>1 A. Sure. 2 Q. Maybe help refresh your memory. You 3 referenced the Order to Show Cause received from 4 the DEA to the Jupiter distribution center, 5 correct? 6 A. Yes. 7 Q. And it wasn't -- it wasn't just an Order 8 to Show Cause. The DEA also issued an immediate 9 suspension of Walgreens distribution license at the 10 Jupiter center, correct? 11 A. I don't know. 12 Q. You don't know. Do you recall that the 13 date that the Order to Show Cause and Immediate 14 Suspension of Registration was September 13, 2012? 15 A. Because you told me it. I didn't recall 16 they are the same date. 17 Q. You said late 2012, you're comfortable 18 that you recall it was later 2012? 19 A. Yes. 20 Q. And you recall that the meeting, the 21 cross-function meeting, was set as a result of the 22 Order to Show Cause? 23 A. Yes. 24 Q. And it was here's what the Order to Show</p>
<p style="text-align: right;">Page 35</p> <p>1 things that you said was in addition to the 2 suspicious order monitoring, and then you gave me 3 these laundry list. 4 Can you explain a little bit more what 5 you meant by suspicious order monitoring? 6 A. Controlled substance order monitoring. 7 We ensure that the -- a number of tablets that go 8 into any one location, there is a very 9 sophisticated algorithm that was built about the 10 time that the Pharmaceutical Integrity team was 11 started. I mean, I think we had it long before 12 that but when I came in, we were making changes and 13 adjustments to it. 14 It's based on a linear regression line 15 where that store is compared to stores of like size 16 and volume. We called them peer groups. And we -- 17 my team will ensure that no one NDC number will go 18 outside of the volume that the store is calculated 19 out to need without proper documentation. 20 Q. We just skipped some -- I think a bunch 21 of steps. Let me go back. We were starting at the 22 kind of the cross-function meeting and we all of a 23 sudden went to a group and what your goals were. 24 Let me take a few steps in between.</p>	<p style="text-align: right;">Page 37</p> <p>1 Cause elaborates. Here's what it relays. How are 2 we going to deal with this on a business front 3 internally at Walgreens. Correct? 4 A. Yes. 5 Q. So, are you comfortable that the Order 6 to Show Cause also suspended Jupiter's ability to 7 distribute controlled substances, Schedule II and 8 III, out of that Jupiter distribution center? 9 MR. HOUTZ: Object on foundation. 10 BY THE WITNESS: 11 A. Yes. 12 BY MR. MOUGEY: 13 Q. And that, as a result, there had to be 14 some contingency plans about how Walgreens 15 pharmacies would receive controlled substances II 16 and III to the pharmacies, correct? 17 A. Yes. 18 Q. And were you aware that the DEA actually 19 locked the cage in the Jupiter distribution center 20 so Walgreens staff couldn't access the controlled 21 substances? 22 A. No. 23 Q. So, there was a -- different pieces of 24 this meeting to cover the ramifications of the</p>

<p style="text-align: right;">Page 38</p> <p>1 Order to Show Cause and immediate suspension from 2 the DEA? 3 MR. HOUTZ: Object on form. 4 BY THE WITNESS: 5 A. Sorry. Can you ask that again. 6 MR. MOUGEY: What's your objection, Les? 7 MR. HOUTZ: I'm not seeing your exact 8 language, so I can't quote it. 9 MS. SCHUCHARDT: Is everybody else paused? 10 MR. HOUTZ: The transcript is paused. 11 MR. MOUGEY: We'll come back to it. 12 MR. HOUTZ: But I think it's something about 13 different pieces of the meeting. I just -- I 14 thought the question was vague. 15 (Clarification by the reporter.) 16 BY MR. MOUGEY: 17 Q. My question was -- I'm sorry. 18 MR. HOUTZ: Peter, I will say you have been 19 using the term "meeting" and "meetings," and it's 20 not clear to me how many meetings you're talking 21 about sometimes, if you're talking about the first 22 meeting or a series of meetings. 23 (WHEREUPON, a certain document was 24 marked as Walgreens-Polster Exhibit</p>	<p style="text-align: right;">Page 40</p> <p>1 A. Yes. 2 Q. And then page 1 of 349. Do you see 3 that? 4 A. Oh, yes. 5 Q. All right. What I have done is 6 sequenced all of these pages together so when you 7 and I reference it, it's easier to follow rather 8 than in pieces. Okay? 9 A. Okay. 10 Q. I'm going to use that number. 11 A. The bottom number? 12 Q. Yes, ma'am. 13 A. Okay. 14 Q. Just for everyone on the phone, it's 15 Bates No. WAGMDL490963. 16 So, what I'd like to do, Ms. Polster, is 17 to take your attention to Exhibit B that's 18 referenced on paragraph 5 of this Settlement and 19 Memorandum of Agreement. All right? So you are on 20 page 28 of 349. 21 And I know this isn't necessarily a date 22 test. So, I wanted to put this document in front 23 of you so you could see the exact title of the 24 document.</p>
<p style="text-align: right;">Page 39</p> <p>1 No. 2: Binder of Documents, 2 "Settlement and Memorandum of 3 Agreement," et al.; first page is 4 WAGMDL00490963.) 5 BY MR. MOUGEY: 6 Q. Ms. Polster, what I have just put in 7 front of you is Polster 2. On the very first 8 page it's Settlement and Memorandum of Agreement. 9 Do you see that? 10 A. Yes. 11 MR. MOUGEY: And it's -- you guys ready now? 12 P-WAG-0001. 13 BY MR. MOUGEY: 14 Q. What I'd like to direct your attention 15 to is paragraph 5 on this first page. 16 "On September 13, 2012, the DEA by its 17 administrator, Michele M. Leonhart, issued an Order 18 to Show Cause and Immediate Suspension of 19 Registration to Walgreens Jupiter." And do you see 20 it's referenced as Exhibit B? 21 A. Yes. 22 Q. And to make this a little easier, do you 23 see how there is two sets of page numbers, page 1 24 of 13?</p>	<p style="text-align: right;">Page 41</p> <p>1 A. Okay. 2 Q. And the date. 3 A. Yep. 4 Q. I want to make sure when you're 5 referencing an Order to Show Cause and what I think 6 you're talking about is the same thing. 7 A. Yes. 8 Q. So, again, the date in the upper 9 right-hand corner September 13, 2012. 10 Do you see that? 11 A. Yes. 12 Q. And the -- this document is printed on 13 U.S. Department of Justice, Drug Enforcement 14 Letterhead letterhead. 15 Do you see that at the upper right-hand 16 corner? 17 A. Yes. 18 Q. And it's addressed to Walgreens and 19 Jupiter, Florida. 20 Do you see that? 21 A. Yes. 22 Q. Then the title is Order to Show Cause, 23 which is what you referenced earlier, and I want to 24 bring your attention in to the following language</p>

<p style="text-align: right;">Page 42</p> <p>1 which is "and the Immediate Suspension of 2 Registration." 3 A. Okay. 4 Q. So, when you referenced earlier that 5 there was an Order to Show Cause in late 2012 that 6 was the catalyst for the first cross-function 7 meeting, do you have an understanding that this is 8 the Order to Show Cause that you were referencing? 9 A. Yes. 10 Q. And let's just spend just a couple 11 minutes generally going through this document. 12 The second paragraph that begins with, 13 "Notice," you see that the DEA, through the 14 Department of Justice is, "Notice was being given 15 to inform Walgreens Corporation of the immediate 16 suspension of Drug Enforcement Administration 17 Certificate of Registration," gives the number, and 18 then cites to a United States code, "before such 19 registration constitutes an imminent danger to the 20 public health and safety." 21 Do you see that? 22 A. I see that. 23 Q. If you continue down that paragraph on 24 the fifth line from the bottom, the Department of</p>	<p style="text-align: right;">Page 44</p> <p>1 meeting? 2 A. No. 3 Q. Were you ever given the document that I 4 have in front of you to show what some of the scope 5 of the issues as perceived by the DEA? 6 A. Yes. Later in -- after I became the 7 leader of the Pharmacy Integrity team, I got the 8 document. 9 Q. And so that was -- do you have a 10 recollection of when you became the leader? 11 A. It was the end of 2012. 12 Q. Okay. So, from around September of 2012 13 towards the end of 2012, you continued as part of 14 this cross-function meeting or team to address the 15 issues raised in Exhibit Polster 2 but more 16 specifically Exhibit B, the Order to Show Cause and 17 Immediate Suspension of Walgreens' distributor 18 license, correct? 19 A. Yes. 20 Q. All right. And if you turn your 21 attention to page 30 of 349, do you see the top 22 stores, 1 through 6 at the top? 23 A. Yes. 24 Q. And that Walgreens oxycodone dispensing</p>
<p style="text-align: right;">Page 43</p> <p>1 Justice cites that "Walgreens' continued 2 registration is inconsistent with the public 3 interest." 4 Do you see that? 5 A. Sorry. No, I don't -- oh, yeah, sorry. 6 Yeah. 7 Q. Okay. Now, if you look over both 8 page 28 and 29 of this document, the DEA walks 9 Walgreens through the opiate epidemic and 10 Walgreens' participation through its distributors 11 store in Jupiter, correct? 12 MR. HOUTZ: Object to form. 13 BY MR. MOUGEY: 14 Q. I used the word "store." Let me redo 15 that. 16 This page 28 and 29, the DEA walks 17 Walgreens through some of the general issues 18 related to the Jupiter distribution center? 19 MR. HOUTZ: Object to form. 20 BY THE WITNESS: 21 A. Yes. 22 BY MR. MOUGEY: 23 Q. Now, were you given this document at any 24 time in that first meeting, the cross-functional</p>	<p style="text-align: right;">Page 45</p> <p>1 from 2009 to 2011. Do you see where it has the 2 table at the top? 3 A. Yes. 4 Q. And you see from 2009 to 2011 there are 5 dramatic increases in the number of oxycodones 6 dispensed through these pharmacies, correct? 7 A. There are increases, but I wouldn't call 8 them dramatic. 9 Q. Okay. I was hoping to skip that step, 10 but let's go ahead and go through them. Okay. 11 So, the Hudson store, No. 1, is 388,000 12 people. 13 Do you see that? I'm sorry. 14 388,000 oxycodone dosage units? 15 A. Yes. 16 Q. And by 2011, that number had increased 17 approximately 600% to 2.2 million dosage units of 18 oxycodone, correct? 19 A. Yes. The number increased. 20 Q. Not just increased by a marginal amount 21 but over 600%, correct? 22 A. The number increased. There was a lot 23 of changes in the industry between '09 and '11. 24 Q. And I understand. That really wasn't</p>

<p style="text-align: right;">Page 46</p> <p>1 the question I asked you.</p> <p>2 So, the question I asked you is that the</p> <p>3 number of dosage units of oxycodone from 2009,</p> <p>4 388,000, increased over 600% by 2011, correct?</p> <p>5 A. Yes, increased to 2.2 million.</p> <p>6 Q. And the second, No. 2, the second in</p> <p>7 Fort Myers -- well, before we leave Hudson, do</p> <p>8 you -- do you have an understanding of how many</p> <p>9 folks live in Hudson, Florida?</p> <p>10 A. No, I do not.</p> <p>11 Q. Would it surprise you that 15,000 people</p> <p>12 live in Hudson, Florida?</p> <p>13 A. I don't know Florida well enough to know</p> <p>14 if I'm surprised or not.</p> <p>15 Q. It with -- and Oxy is just one type of</p> <p>16 Schedule II, correct?</p> <p>17 A. Correct.</p> <p>18 Q. There are many different kinds. So,</p> <p>19 we're just looking at one type of Schedule II</p> <p>20 OxyContin, correct?</p> <p>21 A. We're looking just at oxycodone, but I</p> <p>22 don't know what constituted those numbers, if it</p> <p>23 was one NDC number or multiple. But, yes, this</p> <p>24 says, "Oxycodone purchases."</p>	<p style="text-align: right;">Page 48</p> <p>1 Q. And 80,000 pills to Oviedo, Florida of</p> <p>2 oxycodone, population 34,000 people, climbs to</p> <p>3 1.684 million into 2011. Correct?</p> <p>4 A. Yes.</p> <p>5 MR. HOUTZ: Object to form again.</p> <p>6 BY MR. MOUGEY:</p> <p>7 Q. And, again, over a 2,000% increase,</p> <p>8 correct?</p> <p>9 A. Yes.</p> <p>10 Q. And No. 4, Port Richey, 344,000 dosage</p> <p>11 units of oxycodone with a population of 5,000</p> <p>12 people to 1.4 million --</p> <p>13 MR. HOUTZ: Object.</p> <p>14 BY MR. MOUGEY:</p> <p>15 Q. -- pills in 2011, correct?</p> <p>16 MR. HOUTZ: Object; form.</p> <p>17 BY THE WITNESS:</p> <p>18 A. Yes.</p> <p>19 BY MR. MOUGEY:</p> <p>20 Q. And Fort Pierce, Florida, 153,000</p> <p>21 people, moves to 1.192 million dosage units of</p> <p>22 oxycodone, correct?</p> <p>23 MR. HOUTZ: Object to form.</p> <p>24 BY MR. MOUGEY:</p>
<p style="text-align: right;">Page 47</p> <p>1 Q. Let's assume it was the same drug code.</p> <p>2 A. Okay.</p> <p>3 Q. 9143 for oxycodone, correct?</p> <p>4 A. I don't know what 9143 is.</p> <p>5 Q. Is the drug code or the base code for</p> <p>6 oxycodone?</p> <p>7 A. I wouldn't know that off the top of my</p> <p>8 head.</p> <p>9 Q. You wouldn't know that. Okay. Shows</p> <p>10 you how much reading I have been doing, then, that</p> <p>11 I would know what the drug code is for oxycodone.</p> <p>12 Let's do the second store, Fort Myers,</p> <p>13 95,000 dosage units of oxycodone. Okay?</p> <p>14 A. Yes.</p> <p>15 Q. And that's a town of about 64,000</p> <p>16 people. And from the end of 2009 to the end of</p> <p>17 2011, those dosage units went to 2.1 million.</p> <p>18 Do you see that?</p> <p>19 A. Yes.</p> <p>20 MR. HOUTZ: Object to form.</p> <p>21 BY MR. MOUGEY:</p> <p>22 Q. You see that is approximately a 2,000%</p> <p>23 increase, correct?</p> <p>24 A. Yes.</p>	<p style="text-align: right;">Page 49</p> <p>1 Q. And I said people for 153, didn't I?</p> <p>2 153,000 dosage units of oxycodone in</p> <p>3 2009 in Fort Pierce and by the end of 2011 has</p> <p>4 moved to 1.192 million.</p> <p>5 Do you see that?</p> <p>6 A. Yes.</p> <p>7 Q. So, you'd agree with me that those are</p> <p>8 significant increases in dosage units out of</p> <p>9 Walgreens pharmacies in Florida, correct?</p> <p>10 A. I would agree that they're increases.</p> <p>11 I'm not sure that I would agree with the word</p> <p>12 "significant."</p> <p>13 Q. Okay. So, those -- the 2,000% increase</p> <p>14 in oxycodone over the course of two years</p> <p>15 increases, you don't think that's significant?</p> <p>16 A. I do not think that they are significant</p> <p>17 because of the changes that happened in the</p> <p>18 industry during that time.</p> <p>19 Q. What would you consider significant if</p> <p>20 2,000% increase in dosage units, so a -- let's</p> <p>21 take -- let's take Fort Myers, Florida, with a town</p> <p>22 of 64,000 people, that it goes from 95,000 dosage</p> <p>23 units of oxycodone at the end of 2009 to</p> <p>24 2.1 million by the end of '11. That's not</p>

<p style="text-align: right;">Page 50</p> <p>1 significant is your -- as far as you define</p> <p>2 significant.</p> <p>3 So, help me to understand where is the</p> <p>4 significant line? Is it 3 million? Is it</p> <p>5 4 million? Where is it?</p> <p>6 MR. HOUTZ: Object to form.</p> <p>7 BY THE WITNESS:</p> <p>8 A. My definition of significant would be if</p> <p>9 there wasn't a plausible reason as to why there was</p> <p>10 an increase.</p> <p>11 The industry had changed significantly</p> <p>12 over that time where doctors that ran pain</p> <p>13 management clinics could no longer dispense out of</p> <p>14 their clinics.</p> <p>15 Prior to this time, Walgreens didn't see</p> <p>16 pain -- chronic pain patients. We saw end-of-life</p> <p>17 patients that were coming in for the medications to</p> <p>18 get them through as comfortably as possible until</p> <p>19 they passed.</p> <p>20 During this time frame, the laws and the</p> <p>21 regulations began to change where physicians could</p> <p>22 no longer dispense out of their clinics, and we saw</p> <p>23 patients coming into the retail stores for chronic</p> <p>24 pain medications.</p>	<p style="text-align: right;">Page 52</p> <p>1 team.</p> <p>2 Q. So, "In July of 2011, the Florida</p> <p>3 Surgeon General declared a public health emergency</p> <p>4 based on the prescription pill epidemic." Correct?</p> <p>5 A. I see that on this sheet.</p> <p>6 Q. And you would think that Walgreens</p> <p>7 somewhere, that somewhere in Walgreens somebody</p> <p>8 would know that there is a problem in Florida,</p> <p>9 correct?</p> <p>10 A. Walgreens is a very large company. So,</p> <p>11 the answer to that would be yes. I was not part of</p> <p>12 that, but yes.</p> <p>13 Q. We'd sure hope so. Haven't yet to find</p> <p>14 someone, but maybe I will, that knew about the</p> <p>15 Florida problem. But you didn't know about it</p> <p>16 either, right?</p> <p>17 A. Correct.</p> <p>18 MR. HOUTZ: Object to form.</p> <p>19 BY MR. MOUGEY:</p> <p>20 Q. Okay. So, paragraph 3, the DEA relays</p> <p>21 that "Oxycodone is a dangerously addictive</p> <p>22 Schedule II controlled substance which is known to</p> <p>23 be highly abused and diverted in the State of</p> <p>24 Florida."</p>
<p style="text-align: right;">Page 51</p> <p>1 BY MR. MOUGEY:</p> <p>2 Q. And the reason for the change in law was</p> <p>3 that pill mills were a problem in the State of</p> <p>4 Florida, correct?</p> <p>5 MR. HOUTZ: Object to form and foundation.</p> <p>6 BY THE WITNESS:</p> <p>7 A. I don't know why the regulations</p> <p>8 changed.</p> <p>9 BY MR. MOUGEY:</p> <p>10 Q. Well, let's look at paragraph 2.</p> <p>11 A. Sorry.</p> <p>12 Q. On page 29 of 349.</p> <p>13 A. Okay.</p> <p>14 Q. "Since at least 2009, the State of</p> <p>15 Florida has been the epicenter of a notorious,</p> <p>16 well-documented epidemic of prescription drug</p> <p>17 abuse."</p> <p>18 Do you see that sentence?</p> <p>19 A. Yes.</p> <p>20 Q. Were you aware that since at least 2009</p> <p>21 the State of Florida has been the epicenter of a</p> <p>22 notorious, well-documented epidemic of prescription</p> <p>23 drug abuse?</p> <p>24 A. I became aware when I was put on this</p>	<p style="text-align: right;">Page 53</p> <p>1 Do you see that?</p> <p>2 A. Yes.</p> <p>3 Q. Now, let's break that into a couple</p> <p>4 pieces.</p> <p>5 Do you agree, with your background as a</p> <p>6 pharmacist and all your years in the pharmacy side</p> <p>7 at Walgreens, that oxycodone is a dangerously</p> <p>8 addictive Schedule II drug?</p> <p>9 A. Yes.</p> <p>10 Q. And Paragraph No. 4, "Since 2009,</p> <p>11 Walgreens' Jupiter Florida distribution center has</p> <p>12 been the single largest distributor of oxycodone</p> <p>13 pills in Florida."</p> <p>14 Were you aware of that when you started</p> <p>15 at the Pharmaceutical Integrity Department?</p> <p>16 A. Yes.</p> <p>17 Q. "And at about this same time as the</p> <p>18 abuse of prescription drugs became an epidemic in</p> <p>19 Florida, Walgreens' Florida retail pharmacies,</p> <p>20 supplied by Respondent, commanded an increasingly</p> <p>21 large percentage of the state's growing oxycodone</p> <p>22 business. In 2010, only three Walgreens pharmacies</p> <p>23 were in the top 100 purchasers of oxycodone within</p> <p>24 Florida. In 2011, 38 Walgreens pharmacies made the</p>

<p style="text-align: right;">Page 54</p> <p>1 top 100 and six were in the top 10."</p> <p>2 And you believe that the reason for</p> <p>3 Walgreens' increases in dispensing and distribution</p> <p>4 of oxycodone was because of the change of the laws?</p> <p>5 A. Yes.</p> <p>6 Q. Now, let's just assume that was the</p> <p>7 case. If I were to look at CVS numbers and other</p> <p>8 retail pharmacies, would I see corresponding</p> <p>9 increases in their pharmacies like we just went</p> <p>10 through on paragraph 30 of 349 with 6, 7, 800, even</p> <p>11 2,000% increases? Would we see those with other</p> <p>12 pharmacies --</p> <p>13 MR. HOUTZ: Object.</p> <p>14 BY MR. MOUGEY:</p> <p>15 Q. -- in the State of Florida?</p> <p>16 MR. HOUTZ: Object on foundation.</p> <p>17 BY THE WITNESS:</p> <p>18 A. I don't know what the volume of those</p> <p>19 stores were. But as -- if it was a retail</p> <p>20 pharmacy -- it was an industry change that</p> <p>21 happened. So, I would assume that their numbers</p> <p>22 would increase.</p> <p>23 BY MR. MOUGEY:</p> <p>24 Q. Well, you know what they say about</p>	<p style="text-align: right;">Page 56</p> <p>1 title page, Settlement and Memorandum of Agreement.</p> <p>2 Okay?</p> <p>3 A. Yes.</p> <p>4 Q. So now we're on page 7 of that first</p> <p>5 part of the document, and I want to direct your</p> <p>6 attention to page 7, paragraph 4, "Obligations of</p> <p>7 DEA." More specifically, I want you to go to B.</p> <p>8 "Within five business days of the</p> <p>9 effective date of this agreement, DEA agrees to</p> <p>10 unlock the controlled substances storage area at</p> <p>11 Walgreens Jupiter and make its contents available</p> <p>12 to Walgreens for any lawful transfer or reverse</p> <p>13 distribution of the inventory contained therein to</p> <p>14 an appropriate DEA registrant."</p> <p>15 Do you see that?</p> <p>16 A. Yes.</p> <p>17 Q. So, the date that this agreement was</p> <p>18 signed is June 10 of 2013, and that's on page 11.</p> <p>19 A. Yes.</p> <p>20 Q. Okay. So, within five days of the</p> <p>21 effective date of this agreement, the DEA unlocked</p> <p>22 the cage in Walgreens' distribution center?</p> <p>23 MR. HOUTZ: Object on foundation.</p> <p>24 BY MR. MOUGEY:</p>
<p style="text-align: right;">Page 55</p> <p>1 assuming, right?</p> <p>2 So, when you make that assumption today</p> <p>3 and you're telling this jury in Cleveland that it</p> <p>4 was because of the change in laws, you haven't done</p> <p>5 any analysis of how the change in laws impacted</p> <p>6 other pharmacies similar to Walgreens, have you?</p> <p>7 A. I have not done analysis, no.</p> <p>8 Q. So, you don't know if Walgreens is an</p> <p>9 outlier with its increasing distribution levels</p> <p>10 that we just went through, 6, 7, 800, 2,000%, or</p> <p>11 whether that was an industry-wide shift?</p> <p>12 A. That's right. I don't know.</p> <p>13 Q. You have no earthly idea sitting here</p> <p>14 today, right?</p> <p>15 A. Right.</p> <p>16 Q. Let me do one more thing.</p> <p>17 Page 7 of 13.</p> <p>18 MR. HOUTZ: I think he is back here.</p> <p>19 THE WITNESS: Oh, I'm sorry. Thank you.</p> <p>20 BY THE WITNESS:</p> <p>21 A. Okay.</p> <p>22 BY MR. MOUGEY:</p> <p>23 Q. Now, just so you can get the context,</p> <p>24 page 7 is part of -- it's a continuation of the</p>	<p style="text-align: right;">Page 57</p> <p>1 Q. Were you aware that the -- that the DEA</p> <p>2 locked the cage at Walgreens distribution center?</p> <p>3 A. When I was -- I was not part of that</p> <p>4 workstream, but now that you're talking about it</p> <p>5 and I'm re-seeing this, yes.</p> <p>6 Q. This is your Walgreens that you've spent</p> <p>7 36 years with. Your Walgreens, the DEA came and</p> <p>8 locked the cage restricting Walgreens' access and</p> <p>9 when I say -- to its own controlled substances,</p> <p>10 correct?</p> <p>11 A. Yes.</p> <p>12 Q. And when I say "cage," you understand</p> <p>13 that's a term of art and that is where all of the</p> <p>14 controlled substances are stored and protected,</p> <p>15 correct?</p> <p>16 A. Yes.</p> <p>17 Q. You would agree with me that the DEA</p> <p>18 locking the cage restricting Walgreens' access is a</p> <p>19 significant step?</p> <p>20 A. Yes.</p> <p>21 Q. Before we leave this document, I'd like</p> <p>22 you to go to page 2 of 13, "Stipulation and</p> <p>23 Agreement."</p> <p>24 A. Okay.</p>

<p style="text-align: right;">Page 58</p> <p>1 Q. Are you there?</p> <p>2 A. Yep.</p> <p>3 Q. What is your understanding of what</p> <p>4 "Stipulation and Agreement" means?</p> <p>5 A. I -- boy, I am not an attorney, but I</p> <p>6 would -- I would take this as what we have to do in</p> <p>7 order to comply with this Memorandum of Agreement.</p> <p>8 Q. Just take the word "agreement." What is</p> <p>9 the word "agreement"?</p> <p>10 A. Where Walgreens agreed with the parties</p> <p>11 at DEA on what is in the document.</p> <p>12 Q. Okay. So, let's look at paragraph 2.</p> <p>13 A. Under "Stipulation" or up here?</p> <p>14 Q. Under "Stipulation and Agreement."</p> <p>15 A. Okay.</p> <p>16 Q. On page 2.</p> <p>17 "Walgreens acknowledges that suspicious</p> <p>18 order reporting for distribution to certain</p> <p>19 pharmacies did not meet the standards identified by</p> <p>20 the DEA in three letters from the DEA's Deputy</p> <p>21 Assistant Director" -- sorry -- "Deputy Assistant</p> <p>22 Administrator, Office of Diversion Control, sent to</p> <p>23 every registered manufacturer and distributor,</p> <p>24 including Walgreens, on September 27, 2006,</p>	<p style="text-align: right;">Page 60</p> <p>1 read through this document as director of</p> <p>2 Pharmaceutical Integrity so you could better</p> <p>3 understand what the issues were with Walgreens?</p> <p>4 A. Yes.</p> <p>5 Q. Now, you understand what the word</p> <p>6 "systemic" is?</p> <p>7 A. Yes.</p> <p>8 Q. What does the word "systemic" mean?</p> <p>9 A. When I'm thinking of it from healthcare</p> <p>10 or a person's body, it would be throughout their</p> <p>11 body. When I think of it as an organization, it</p> <p>12 would be in an organization.</p> <p>13 Q. So, organization-wide. Is that fair?</p> <p>14 A. I think there is a generalization there.</p> <p>15 But, yes, it's fair.</p> <p>16 Q. Okay. So, when we say "systemic," that</p> <p>17 means that it impacts the organization as a whole?</p> <p>18 A. Yes.</p> <p>19 Q. Let me direct your attention to page 38</p> <p>20 of this document, paragraph 23.</p> <p>21 A. Okay.</p> <p>22 Q. "Voluntary dispensing restrictions</p> <p>23 enacted either in anticipation of, or in reaction</p> <p>24 to regulatory action, do not indicate to me that</p>
<p style="text-align: right;">Page 59</p> <p>1 February 7, 2007, and December 27, 2007."</p> <p>2 Do you see that?</p> <p>3 A. I see that.</p> <p>4 Q. Were you aware that Walgreens agreed</p> <p>5 that it failed to fulfill its duties in regards to</p> <p>6 suspicious order reporting for controlled</p> <p>7 substances?</p> <p>8 MR. HOUTZ: Object to form.</p> <p>9 BY THE WITNESS:</p> <p>10 A. I was aware after I saw the Memorandum</p> <p>11 of Agreement, but I did not know anything about</p> <p>12 that before all this.</p> <p>13 BY MR. MOUGEY:</p> <p>14 Q. Now, when you became director of</p> <p>15 Pharmaceutical Integrity in later 2012, did you sit</p> <p>16 and read this document that I have in front of you</p> <p>17 to have an understanding of what some of the issues</p> <p>18 were with Walgreens?</p> <p>19 A. No. I was -- I got a copy of it after</p> <p>20 it was signed.</p> <p>21 Q. Okay. And so it was signed in June 13.</p> <p>22 Did you sit down -- fair enough. My timeline was</p> <p>23 off.</p> <p>24 But did you sit down in June of '13 and</p>	<p style="text-align: right;">Page 61</p> <p>1 Respondent," when it says Respondent, that's</p> <p>2 Walgreens, "and its parent company have recognized</p> <p>3 and adequately reformed the systemic shortcomings</p> <p>4 discussed herein."</p> <p>5 Are you there with me?</p> <p>6 A. Yeah.</p> <p>7 Q. Now, when you had the opportunity to sit</p> <p>8 down and read this document as director of</p> <p>9 Pharmaceutical Integrity, do you recall reading</p> <p>10 that the DEA believed that Walgreens had systemic</p> <p>11 shortcomings?</p> <p>12 A. I don't remember reading the entire</p> <p>13 Order to Show Cause. I remember reading the</p> <p>14 Memorandum of Agreement.</p> <p>15 Q. The first 13 pages?</p> <p>16 A. Yes.</p> <p>17 Q. So, do you understand in the next 336</p> <p>18 pages that there is significant detail walking</p> <p>19 through the numerous problems at Walgreens?</p> <p>20 MR. HOUTZ: Object to form.</p> <p>21 BY THE WITNESS:</p> <p>22 A. I haven't read this entire document.</p> <p>23 I've only -- I mean, really. I've only -- my job</p> <p>24 was responsible for executing the Memorandum of</p>

<p style="text-align: right;">Page 62</p> <p>1 Agreement. So, this Order to Show Cause, I did not 2 read every one of these. 3 BY MR. MOUGEY: 4 Q. So, we're going to come back to those 5 meetings and you being appointed director of 6 Pharmaceutical Integrity in late 2012. Let me just 7 get a general understanding. 8 So, the role that you took as director 9 of Pharmaceutical Integrity was charged with 10 overseeing Walgreens' responsibilities, A, to 11 identify and report suspicious orders and, B, 12 ensure that Walgreens was filling its 13 responsibilities as a pharmacy, correct? 14 A. Yes. 15 Q. And you as director were charged with 16 creating a mission to fill those ends, correct? 17 A. Yes. 18 Q. You were charged with identifying the 19 people you needed to monitor and report suspicious 20 orders and to oversee Walgreens' obligations as a 21 pharmacy, correct? 22 A. Yes. 23 Q. You were charged with pulling 24 individuals within Walgreens that you needed to</p>	<p style="text-align: right;">Page 64</p> <p>1 A. Yes. 2 Q. All right. Walgreens paid a significant 3 amount as part of this agreement with the DEA, 4 correct? 5 MR. HOUTZ: Object on foundation. 6 BY THE WITNESS: 7 A. There was a lot of money paid, yes. 8 BY MR. MOUGEY: 9 Q. Do you recall how much? 10 A. 80 million. 11 Q. And what started as a cross-function 12 meeting ultimately evolved into a group titled 13 Pharmaceutical Integrity that you ran, correct? 14 A. Yes. 15 Q. Now, that meeting culminating in 16 Pharmaceutical Integrity was created because of the 17 document in front of you, the Settlement and 18 Memorandum of Agreement, correct? 19 A. I don't know why it was created. It 20 just was created. I... 21 Q. So you don't know why. This settlement 22 agreement, the 349 pages and all the exhibits 23 attached and the \$80 million, are you comfortable 24 saying that that was the catalyst for the creation</p>
<p style="text-align: right;">Page 63</p> <p>1 help write the algorithm or code necessary to 2 fulfill those ends, correct? 3 A. It was already done prior to my taking 4 the role. So, right about the time that my team 5 came on board, they were handing over the 6 suspicious order monitoring that we had previous to 7 my team. 8 Q. And that -- what you inherited when you 9 took over, there were modifications and changes to 10 that system along the way under your -- under you 11 as the director, correct? 12 A. We did make recommendations for changes, 13 but -- and my understanding is that there were 14 quite a few numerations from all the time previous. 15 So, yes, your answer -- my answer is yes. Sorry. 16 Q. That's okay. There were some changes 17 made -- 18 A. Yes. 19 Q. -- under your -- when you were the boss, 20 right? 21 A. Yes. 22 Q. And there was version 5 and version 5.5, 23 and there was some tweaks and modifications to the 24 code, correct?</p>	<p style="text-align: right;">Page 65</p> <p>1 of the Pharmaceutical Integrity Department? 2 MR. HOUTZ: Object to form and asked and 3 answered. 4 BY THE WITNESS: 5 A. The assumption would be that, but I 6 don't know. 7 BY MR. MOUGEY: 8 Q. But you are comfortable that the 9 cross-functional meeting was set after the 10 September 13, 2012 Order to Show Cause and 11 Immediate Suspension of Registration, correct? 12 A. Yes. 13 Q. Is it fair to say that when you took 14 over Pharmaceutical Integrity as it began in late 15 2012, that you felt a sense of urgency to get a 16 system implemented for Walgreens to fulfill its 17 obligations as a distributor? 18 A. No, not a sense of urgency. Maybe a 19 sense of urgency on myself to understand the 20 obligations that I was taking over. But we already 21 had a system in place. 22 So, I had a lot of learning to do, so I 23 guess the sense of urgency would be that I had to 24 get up to speed and I had to ensure that anybody I</p>

<p style="text-align: right;">Page 66</p> <p>1 hired was up to speed and understood the 2 obligations. 3 Q. So, Pharmaceutical Integrity did not 4 create and design and implement a suspicious order 5 monitoring policy system. It just used what was 6 already in place? 7 MR. HOUTZ: Object to form. 8 BY THE WITNESS: 9 A. Yes, there was a new version coming out 10 right about the time that I took over, and I was in 11 a couple of meetings right before the final 12 release. There was lots of testing and things that 13 happened, and so it was kind of right around that 14 same time where we did the handover. 15 BY MR. MOUGEY: 16 Q. So, how long -- do you have an 17 understanding of how long the system that was 18 adopted into Pharmaceutical Integrity, how long had 19 that system been in place? 20 MR. HOUTZ: Object to form. 21 BY THE WITNESS: 22 A. I don't know. 23 BY MR. MOUGEY: 24 Q. You don't know. So, are you comfortable</p>	<p style="text-align: right;">Page 68</p> <p>1 early '13? 2 A. Before that time. Otherwise we would 3 have bought it. 4 Q. Okay. So, we started this by you asking 5 me what I meant by "adopt." 6 That pharmaceutical adopted the policies 7 and procedures in place at Walgreens to use in your 8 department? 9 MR. HOUTZ: Object to form. 10 BY THE WITNESS: 11 A. We took what was in place and then we 12 made recommendations for modifications of how best 13 my team could efficiently use the system that they 14 had. So, there were lots of tweaks of that system 15 to get it to where it is today. 16 BY MR. MOUGEY: 17 Q. Okay. So, lots of tweaks of the system. 18 Now, in June of 2013, this 349-page 19 document with the Department of Justice was entered 20 into by Walgreens, correct? 21 A. Because you tell me that, yes, and I see 22 it on here, yes. 23 Q. Flip to the very last page. You will 24 see how many pages. There is 349 pages.</p>
<p style="text-align: right;">Page 67</p> <p>1 with your group, Pharmaceutical Integrity, adopted 2 the previous system to fulfill its obligations to 3 monitor and identify and report suspicious orders? 4 A. Yes. 5 Q. Did Walgreens adopt a system prior to 6 your arrival to, once those orders were identified 7 as suspicious, that there was due diligence 8 performed on those orders? 9 A. When you say "adopt," what do you mean? 10 Q. What do you think the word "adopt" 11 means? 12 A. Well, it was -- my understanding was a 13 homegrown system that was built and had lots of 14 tweaks and changes over the years. There was -- 15 there wasn't anything on the market that could -- 16 we could have bought off the shelf. So... 17 Q. Okay. So, is your assumption -- do you 18 know that for a fact, there was nothing that 19 Walgreens could have bought, or is that another 20 assumption? 21 A. No, I know that there was nothing at the 22 particular time, that there wasn't anything out 23 there that we could have bought. 24 Q. And that particular time is late '12,</p>	<p style="text-align: right;">Page 69</p> <p>1 A. Okay. 2 Q. Do you know how many pharmacies are 3 identified in this document? 4 A. No. 5 Q. Look at very first page. 6 A. Okay. 7 Q. Paragraph 2. "Walgreens owns or 8 operates pharmacies that are controlled or 9 registered with the DEA as Retail/Chain 10 Pharmacies." 11 You'd agree with that, right? 12 A. Under "Procedural" you mean? 13 Q. Yes, ma'am. 14 A. Yes. 15 Q. Okay. And that's paragraph 2. 16 Paragraph 3. "April 7, 2011, Walgreens 17 entered into a Settlement and Release Agreement and 18 Administrative Memorandum of Agreement with the 19 DEA." 20 Do you see that? 21 A. Yes. 22 Q. And that's attached as Exhibit A. So, 23 why don't we -- were you aware that Walgreens 24 entered into an agreement in 2011?</p>

<p style="text-align: right;">Page 70</p> <p>1 A. Not until I became a director of 2 Pharmaceutical Integrity. 3 Q. When you read the first 13 pages of this 4 349-page document, correct? 5 A. Yes. 6 Q. Okay. So, if we turn to Exhibit A, this 7 is outside the first 13 pages, and this is an 8 Administrative Memorandum of Agreement with a 9 Walgreens pharmacy in California in 2011. 10 Do you see that? 11 A. Yes. 12 Q. And if you look at the scope under the 13 "Background" section, "The OTC," which is Order to 14 Show Cause, "alleged that Walgreens 06094," that's 15 a store number, right? 16 A. Yes. 17 Q. "Dispensed controlled substances to 18 individuals based on purported prescriptions issued 19 by physicians who are not licensed to practice 20 medicine in California." 21 That's a problem, right? 22 A. Not necessarily is it a problem. 23 Q. "Dispensed controlled substances to 24 individuals located in California based on Internet</p>	<p style="text-align: right;">Page 72</p> <p>1 identified in paragraph 3. 2 Paragraph 4 is the distribution center, 3 and that's Exhibit B that we just went to. First 4 page, paragraph 4. 5 A. I'm sorry. 6 Q. Very first page. 7 A. Can you go to the bottom. 8 Q. Yes, ma'am. Very first page. 9 A. Oh, oh. Sorry. 10 Q. That's okay. Very first page. 11 A. Yeah. 12 Q. Paragraph 4, we already walked through. 13 That's Walgreens as a distributor? 14 A. Yes. 15 Q. Is Exhibit B that we already looked at? 16 A. Yes. 17 Q. That's the \$80 million? 18 A. Yep. 19 Q. Now, paragraph 6 you will see references 20 stores, dispensaries, pharmacies in Florida, 21 correct? 22 A. Yes. 23 Q. And those are Exhibit C. That's under 24 paragraph 6?</p>
<p style="text-align: right;">Page 71</p> <p>1 prescriptions issued by physicians for other than a 2 legitimate medical purpose." 3 Do you see that? 4 A. I see that. 5 Q. And then, 3, "Dispensed controlled 6 substances to individuals that Walgreens 06094 knew 7 or should have known were diverting the controlled 8 substances." Okay? 9 A. Yep. 10 Q. And on the next page, 2 of 7, 11 "Obligations of Walgreens," paragraph A references 12 doctor shopping. You know what doctor shopping is, 13 right? 14 A. Yes. 15 Q. Page 3 walks through -- take your 16 time -- a series of examples of issues the DEA is 17 addressing with Walgreens as a pharmacy. 18 Do you see that? 19 MR. HOUTZ: Object to form. 20 BY THE WITNESS: 21 A. Yes. 22 BY MR. MOUGEY: 23 Q. Okay. So, let's go back to the very 24 first page again. So, that is Exhibit A as</p>	<p style="text-align: right;">Page 73</p> <p>1 A. Yes. 2 Q. So, if we look at 6, there are two 3 pharmacies identified in paragraph 6. 4 Do you see that? 5 A. There is more on the other page. 6 Q. There is more on the next page. You're 7 right. On the first page. 8 A. Yep. 9 Q. If you turn to the next page, there is a 10 third pharmacy in paragraph 6, correct? 11 A. Yes. 12 Q. And those are all referenced as 13 Appendix C. 14 A. Yes. 15 Q. Do you see that? 16 Paragraph 7 identifies another Walgreens 17 pharmacy as 03836, correct? 18 A. Yes. 19 Q. And that's also C? 20 A. Yes. 21 Q. 8 identifies another Walgreens store, 22 04391, and that is also Appendix C, correct? 23 A. Yes. 24 Q. And paragraph 9 identifies another</p>

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1 Walgreens pharmacy, and that is also Exhibit C,
2 correct?
3 A. Yes.
4 Q. So, Exhibit C, if you turn all the way
5 back to the C tab, at the bottom of the page 83 of
6 349.
7 Do you see that?
8 A. Yeah.
9 Q. And just from flipping through these
10 pages, you can see that Exhibit C on those
11 Walgreens pharmacies, there are approximately 250
12 pages of detailed allegations from the DEA covering
13 problems with Walgreens' dispensing practices in
14 its pharmacies?
15 MR. HOUTZ: Object to form and foundation.
16 BY THE WITNESS:
17 A. I see that there's a lot of pages on
18 here, but I -- I guess the DEA is saying there are
19 problems. I'm not sure if it's problems or not.
20 BY MR. MOUGEY:
21 Q. What I'm -- what I am struggling with is
22 you come in to take over Pharmaceutical Integrity
23 in late '12. By the time this document is signed
24 in June of '13 you are setting up a department for

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1 both distributor and pharmacy regulatory issues.
2 You brought people in. You're making sure the
3 systems are in place. You are making sure that the
4 goals and objectives can be met.
5 And there is a document with 349 pages
6 detailing the DEA's belief that there are systemic
7 problems within Walgreens and you never read it.
8 MR. HOUTZ: Object to form and object to the
9 speech.
10 BY MR. MOUGEY:
11 Q. You never read this document, did you,
12 Ms. Polster?
13 A. I read the Memorandum of Agreement.
14 Q. Which is 13 pages of the 349, correct?
15 A. Correct.
16 Q. The other 336 pages, you never took time
17 to read the detailed allegations to see where the
18 DEA believed there were problems, correct,
19 Ms. Polster?
20 A. I did not read every page of this
21 document, no.
22 Q. You didn't read over 90% of this
23 document, correct?
24 A. Correct.

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1 Q. And all the while, while that document
2 is being negotiated and executed, you understand
3 that the opiate epidemic took over as the leading
4 cause of death in the United States?
5 A. Yes.
6 Q. But no one from Walgreens ever came to
7 you and said, "Ms. Polster, I think a good place
8 for you to start to identify potential problems
9 within Walgreens would be to read the
10 300-page playbook the DEA gave us identifying
11 numerous issues," correct?
12 MR. HOUTZ: Object to form.
13 BY THE WITNESS:
14 A. There was a lot of stuff going on during
15 that time. I was not handed these 360 pages.
16 BY MR. MOUGEY:
17 Q. To go back to page 2 of this document,
18 we read the first sentence under "Stipulation and
19 Agreement" about Walgreens failing to fulfill its
20 duties and the standards identified by the DEA as a
21 distributor.
22 But the next sentence begins with
23 "Furthermore, Walgreens acknowledges that certain
24 Walgreens retail pharmacies did on some occasions

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1 dispense certain controlled substances in a manner
2 not fully consistent with its obligations under the
3 Controlled Substance Act."
4 Did I read that right?
5 MR. HOUTZ: Object to the preface.
6 BY THE WITNESS:
7 A. I see it here.
8 BY MR. MOUGEY:
9 Q. This is part of the section that you
10 read --
11 A. Yes.
12 Q. -- the 13 pages. Did -- you never
13 wondered after reading paragraph 2 that Walgreens
14 stipulates and agrees that it did not meet the
15 standards identified by the DEA, you never stopped
16 and inquired or wondered, "Can someone give me the
17 specific examples so I know where to start"?
18 A. You asked me did I read the document.
19 Q. I did.
20 A. I did not read these 360 pages. I did
21 ask that question, which is why I have the Target
22 Drug Good Faith Dispensing Policy that we put in
23 place for consistency across all the stores in the
24 nation.

<p style="text-align: right;">Page 78</p> <p>1 Q. So, who summarized for you the 300 pages</p> <p>2 of issues identified by the DEA of weaknesses in</p> <p>3 Walgreens' system?</p> <p>4 MR. HOUTZ: Object to form.</p> <p>5 BY THE WITNESS:</p> <p>6 A. Dwayne Piñon and Patty Zagami.</p> <p>7 BY MR. MOUGEY:</p> <p>8 Q. And how did they identify the details of</p> <p>9 all of the issues identified by the DEA to you?</p> <p>10 Was it in a memorandum?</p> <p>11 A. It was in a course of many meetings.</p> <p>12 Q. Yes, ma'am, but that wasn't what I</p> <p>13 asked.</p> <p>14 Was there a memorandum that you were</p> <p>15 given the details of the issues with Walgreens</p> <p>16 system as identified in this settlement</p> <p>17 agreement -- Settlement and Memorandum of</p> <p>18 Agreement?</p> <p>19 MR. HOUTZ: Object to form.</p> <p>20 BY THE WITNESS:</p> <p>21 A. Can you tell me what you mean by</p> <p>22 memorandum? Did somebody just send a memo you</p> <p>23 mean?</p> <p>24 BY MR. MOUGEY:</p>	<p style="text-align: right;">Page 80</p> <p>1 THE VIDEOGRAPHER: We are back on the record</p> <p>2 at 11:01 a.m.</p> <p>3 BY MR. MOUGEY:</p> <p>4 Q. Ms. Polster, were you aware when you</p> <p>5 took over as director of Pharmaceutical Integrity</p> <p>6 that opiate overdose had become one of the leading</p> <p>7 causes of death in the U.S.?</p> <p>8 A. Yes.</p> <p>9 Q. What did you do to educate yourself when</p> <p>10 you began attending the cross-function meetings</p> <p>11 through the end of 2012 where you were ultimately</p> <p>12 named the director of Pharmaceutical Integrity?</p> <p>13 A. I learned a lot in all the meetings that</p> <p>14 we -- that we had. Probably paid a little more</p> <p>15 attention to news bites or articles that came out</p> <p>16 about opioids since that was going to be the focus</p> <p>17 of what the project was that I was working on.</p> <p>18 But I would say I learned the most out</p> <p>19 of all the meetings that we had as part of that</p> <p>20 group.</p> <p>21 Q. So, we have meetings and news bites. Is</p> <p>22 that fair?</p> <p>23 A. That's fair.</p> <p>24 Q. So, let's walk through the meetings.</p>
<p style="text-align: right;">Page 79</p> <p>1 Q. Yes, ma'am.</p> <p>2 A. Okay.</p> <p>3 Q. This document is titled Settlement and</p> <p>4 Memorandum of Agreement.</p> <p>5 A. Yeah, I got this copy.</p> <p>6 Q. Okay. All right. So, when I say</p> <p>7 "memorandum" outside of this context of the</p> <p>8 Settlement and Memorandum of Agreement, to me, a</p> <p>9 memo, a letter, could even just be an e-mail.</p> <p>10 A. I don't remember what form, but we</p> <p>11 talked about all different kinds of things that we</p> <p>12 were going to do for this.</p> <p>13 Q. So, let's go back to where we started,</p> <p>14 then.</p> <p>15 A. Okay.</p> <p>16 MR. HOUTZ: Can we take a break?</p> <p>17 MR. MOUGEY: Of course we can.</p> <p>18 MR. HOUTZ: Because we are like an hour and a</p> <p>19 quarter into it.</p> <p>20 MR. MOUGEY: Yes.</p> <p>21 THE VIDEOGRAPHER: We are off the record at</p> <p>22 10:36 a.m.</p> <p>23 (WHEREUPON, a recess was had</p> <p>24 from 10:36 to 11:01 a.m.)</p>	<p style="text-align: right;">Page 81</p> <p>1 A. Sure.</p> <p>2 Q. You initially testified that there were</p> <p>3 numerous meetings. So, why don't we start with how</p> <p>4 frequently the meetings were occurring beginning in</p> <p>5 September of 2012.</p> <p>6 A. I cannot remember the exact number of</p> <p>7 times that we met, but I would say frequently per</p> <p>8 week is accurate.</p> <p>9 Q. And you identified a couple of groups of</p> <p>10 people that were attending and some departments.</p> <p>11 Were there people added in as late 2012 progressed</p> <p>12 other than the individuals that you brought in to</p> <p>13 work in Pharmaceutical Integrity?</p> <p>14 A. There would be people that would come</p> <p>15 and go based on whatever specific issue that we</p> <p>16 were working on.</p> <p>17 So, for example, if we had a</p> <p>18 communication specialist that would come in and</p> <p>19 help us tweak our communication that we would send</p> <p>20 out to the field or the training and development</p> <p>21 people that would help us implement how we would</p> <p>22 launch a training to the stores, those people would</p> <p>23 be coming in and going out based on the workstream</p> <p>24 efforts that were happening at the time.</p>

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1 Q. Would you agree with me that the two
2 kind of big-picture issues were Walgreens'
3 responsibilities as a distributor in the context of
4 controlled substances, that was one issue, correct?

5 A. An issue about --

6 Q. That was being discussed in the
7 meetings.

8 A. Can you form the question again. I'm
9 sorry.

10 Q. Sure. I'm just trying to get two kind
11 of big-picture items that was part of the scope of
12 the what at that point was the functional --
13 function meeting. Is that -- okay?

14 A. Okay.

15 Q. So, one was the attempting to ensure the
16 system that Walgreens used to fill its duties as a
17 distributor in the context of controlled substance
18 was adequately designed and put in place?

19 A. So, the context of the meetings around
20 that specific thing that you're saying is getting
21 me up to speed of what I was taking over from a
22 team that was previously doing it.

23 Q. Let's do it this way. You understand
24 that Walgreens has duties under the federal code

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1 and regs as a pharmacy?

2 A. Yes.

3 Q. And you know what a Ven diagram is,
4 right?

5 A. Yes.

6 Q. And, so, we are going to just draw one
7 circle and just put "Dispensing duties."

8 Now, Walgreens also has obligations
9 under the United States code and the regs in
10 relation to its role as a distributor. Correct?

11 A. You need to clarify the time frame
12 because we do not distribute controlled substances
13 at all anymore. So, clarify your --

14 Q. If Walgreens doesn't distribute anymore,
15 they probably aren't applicable to them. Is that a
16 fair statement?

17 A. We dispense.

18 Q. Right. And if you don't distribute,
19 then I'm certainly not asking you about a time when
20 Walgreens doesn't distribute. So, I'm talking
21 about a time when Walgreens was acting as a
22 distributor.

23 A. Okay.

24 Q. Okay? So, in late 2012 and early '13

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1 Walgreens was a distributor, right?

2 A. Yes.

3 Q. And as we just went through in the
4 memorandum and agreement with the significant fine,
5 part of that included Walgreens as a distributor,
6 right?

7 MR. HOUTZ: Object to form.

8 BY THE WITNESS:

9 A. Yes.

10 BY MR. MOUGEY:

11 Q. Okay. So, back to your meetings and
12 your group. You have dispensing duties in one
13 circle and then Walgreens also has, as a
14 distributor, also has duties and obligations,
15 correct?

16 A. Yes.

17 Q. Now, are you familiar with the word
18 "diversion"?

19 A. Yes.

20 Q. And what do you understand the word
21 "diversion" to mean?

22 A. In context of internal diversion from an
23 employee who is perhaps pilfering, that would be
24 what I equated the word "diversion" to prior to me

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1 coming to the, you know, to the work group.

2 When I came into the work group and they
3 used the word "diversion," I was educated to what
4 DEA used the word "diversion" to.

5 Q. Which was broader than internal theft or
6 shrinkage or within Walgreens, correct?

7 A. Yes.

8 Q. The definition that you were educated
9 when you started working with these -- with the
10 working group, correct?

11 A. Yes.

12 Q. And that included, in the context of
13 diversions, Walgreens' duties and obligations as a
14 distributor, correct?

15 A. Yes.

16 Q. Now, would you agree -- and I have two
17 circles on my Ven diagram here. I have "Dispensing
18 duties/obligations" and I have "Distributor
19 duties/obligations."

20 Now, the diversion context encompasses
21 both the dispensing side of Walgreens' duties and
22 obligations and the pharmacy -- I'm sorry -- and
23 the distributor side of Walgreens' duties and
24 obligations, correct?

<p style="text-align: right;">Page 86</p> <p>1 A. Yes.</p> <p>2 Q. So, the last circle I'll put in place,</p> <p>3 I'm going to put --</p> <p>4 MR. MOUGEY: We're on 3, right?</p> <p>5 THE REPORTER: Yes.</p> <p>6 (WHEREUPON, a certain document was</p> <p>7 marked as Walgreens-Polster Exhibit</p> <p>8 No. 3: Ven diagram drawn by Peter</p> <p>9 Mougey.)</p> <p>10 BY MR. MOUGEY:</p> <p>11 Q. I hand you what we've marked as -- what</p> <p>12 I'm marking as Polster 3, my very expensive Ven</p> <p>13 diagram.</p> <p>14 And do you see in the left-hand circle</p> <p>15 we have Walgreens as a distributor with their</p> <p>16 obligations and duties, correct?</p> <p>17 A. Yes.</p> <p>18 Q. And the circle to the right, Walgreens</p> <p>19 with its obligation as a pharmacy and its duties</p> <p>20 and obligations. Correct?</p> <p>21 A. Yes.</p> <p>22 Q. And the diversion, whether it be theft</p> <p>23 internally, whether it be the DEA's broader</p> <p>24 definition that you learned about when you started</p>	<p style="text-align: right;">Page 88</p> <p>1 Q. Now, that very expensive Ven diagram I</p> <p>2 have in front of you, is that an accurate</p> <p>3 representation of what we just went through, that</p> <p>4 diversion covers both dispensing and Walgreens as a</p> <p>5 distributor?</p> <p>6 A. Yes.</p> <p>7 Q. So, back to the meetings. More than</p> <p>8 once a week. Is that fair?</p> <p>9 A. Yes.</p> <p>10 Q. Sometimes many times a week?</p> <p>11 A. Yes.</p> <p>12 Q. People would come and go based on</p> <p>13 whatever was being discussed?</p> <p>14 A. That's right.</p> <p>15 Q. Now, I'm just kind of a redneck lawyer</p> <p>16 from a small town in Florida and when I have</p> <p>17 meetings, and I'm confident to some people's</p> <p>18 chagrin, I actually have agendas, we keep notes,</p> <p>19 and that helps us remember that the next time we</p> <p>20 have a meeting what we talked about the time</p> <p>21 previously and it keeps everybody on track.</p> <p>22 A. Yes.</p> <p>23 Q. Generally familiar with that concept,</p> <p>24 right?</p>
<p style="text-align: right;">Page 87</p> <p>1 the working group, covers both the dispensing side</p> <p>2 and the distributor side. Correct?</p> <p>3 A. Yes.</p> <p>4 Q. And the objective of your working group,</p> <p>5 which later became Pharmaceutical Integrity, was to</p> <p>6 ensure that Walgreens was compliant with its</p> <p>7 obligations as both a pharmacy and as a</p> <p>8 distributor, correct?</p> <p>9 A. The objective and my role was to ensure</p> <p>10 that any work that was being done that was taken</p> <p>11 over by me I understood what to do and I was able</p> <p>12 to continue to carry it out.</p> <p>13 Q. Okay. And that's good and that's an</p> <p>14 admirable goal that you understand it and that it</p> <p>15 was being effectively implemented. But what I</p> <p>16 asked was a little bit different. What I asked was</p> <p>17 a little bit more specific.</p> <p>18 And the objective of your group, which</p> <p>19 ultimately became Pharmaceutical Integrity, was to</p> <p>20 ensure that Walgreens was compliant with both its</p> <p>21 dispensing duties and obligations and its duties</p> <p>22 and obligations as a distributor to detect and</p> <p>23 avoid diversion. Correct?</p> <p>24 A. Yes.</p>	<p style="text-align: right;">Page 89</p> <p>1 A. Yes.</p> <p>2 Q. Now, does this group, this working</p> <p>3 group, did you have a name for it by the time '12</p> <p>4 rolled in?</p> <p>5 A. We called it a task force.</p> <p>6 Q. Task force. Sounds very official.</p> <p>7 So, what was the -- was there a name for</p> <p>8 the task force?</p> <p>9 A. Controlled substance task force maybe.</p> <p>10 Q. Controlled substance task force. Okay.</p> <p>11 Do you know why individual people were</p> <p>12 asked to be on the controlled substance task force?</p> <p>13 A. No.</p> <p>14 Q. Did you observe in the meetings with the</p> <p>15 controlled substance task force that there were</p> <p>16 people in different departments in Walgreens that</p> <p>17 had different kind of specialties?</p> <p>18 A. Yes.</p> <p>19 Q. So, you had loss prevention that had</p> <p>20 kind of an investigatory function within Walgreens,</p> <p>21 correct?</p> <p>22 A. Yes.</p> <p>23 Q. Folks like yourself that had more of</p> <p>24 a -- had a pharmacy background, both academic and</p>

<p style="text-align: right;">Page 90</p> <p>1 experience-wise, correct?</p> <p>2 A. Yes.</p> <p>3 Q. You had been in the field, correct?</p> <p>4 A. Yes.</p> <p>5 Q. And you kind of knew how day to day how</p> <p>6 the pharmacies worked. Is that fair?</p> <p>7 A. Yes.</p> <p>8 Q. And on top of that, it sounds to me like</p> <p>9 you also had significant experience taking concepts</p> <p>10 and initiatives at the corporate level and rolling</p> <p>11 them out across a couple hundred thousand people</p> <p>12 often at Walgreens, all the employees. Is that</p> <p>13 fair?</p> <p>14 A. Yes.</p> <p>15 Q. And that's not a small task to get that</p> <p>16 Titanic ship moving from the corporate</p> <p>17 communications side to get everyone on board and</p> <p>18 understand and educated about whatever the</p> <p>19 initiative is, correct?</p> <p>20 A. Correct.</p> <p>21 Q. And then we also had some folks from</p> <p>22 corporate that attended these meetings and helped</p> <p>23 give some perspective on the system that was</p> <p>24 already in place. Is that fair?</p>	<p style="text-align: right;">Page 92</p> <p>1 A. So, Steve Bamberg and Wayne Bancroft</p> <p>2 were the ones that educated me on how it worked,</p> <p>3 how it was designed in terms of the linear</p> <p>4 regression line and the algorithm, which I wouldn't</p> <p>5 be able to spit out because it's so complicated.</p> <p>6 Q. All right. I think I'm terrible at</p> <p>7 names. I never can remember names. And I think</p> <p>8 someone is trying to pick on me that every name</p> <p>9 here seems to end with a B.</p> <p>10 A. Right.</p> <p>11 Q. There's a lot of Bs. I'm getting them</p> <p>12 confused regularly.</p> <p>13 Now, Wayne Bancroft I always remember is</p> <p>14 he is kind of the math guy that wrote the</p> <p>15 algorithm?</p> <p>16 A. That's right.</p> <p>17 Q. Now, Steve Bamberg is another of one of</p> <p>18 a plethora of B names that I can't ever remember.</p> <p>19 What's Steve's -- where was Steve --</p> <p>20 A. Steve --</p> <p>21 Q. -- prior to '12, September '12?</p> <p>22 A. I don't know his exact like title, but</p> <p>23 he is the guy that his team built the and made</p> <p>24 changes to the suspicious order monitoring system.</p>
<p style="text-align: right;">Page 91</p> <p>1 A. Yes.</p> <p>2 Q. Now, who was that that already -- that</p> <p>3 came to the table that's like this conference room</p> <p>4 here with about 12 seats at it, who was it that</p> <p>5 came that brought the, quote-unquote,</p> <p>6 "institutional knowledge" of what had happened</p> <p>7 prior to September '12?</p> <p>8 A. When you say "institutional knowledge,"</p> <p>9 could you be a little more specific --</p> <p>10 Q. Sure.</p> <p>11 A. -- about which --</p> <p>12 Q. Fair enough. About Walgreens'</p> <p>13 suspicious order monitoring policies --</p> <p>14 A. Yeah.</p> <p>15 Q. -- and procedures and then there will be</p> <p>16 a follow-up question about good faith dispensing.</p> <p>17 A. Sure.</p> <p>18 Q. But if I ask them both at one time, then</p> <p>19 Les will object that it's compound. So, I'll do</p> <p>20 them one at a time.</p> <p>21 A. Okay.</p> <p>22 Q. Okay. So, who brought to the table the</p> <p>23 institutional knowledge about Walgreens' suspicious</p> <p>24 order monitoring policies and procedures?</p>	<p style="text-align: right;">Page 93</p> <p>1 Q. Okay. Is Steve a tech guy?</p> <p>2 A. Yes.</p> <p>3 Q. Now, we were talking about suspicious</p> <p>4 order monitoring policies and procedures, and this</p> <p>5 controlled substance task force brought Steve</p> <p>6 Bamberg and Wayne Bancroft, as an example of maybe</p> <p>7 others, but came and helped you all get up to speed</p> <p>8 on what was being done at Walgreens. Is that fair?</p> <p>9 A. Yes.</p> <p>10 Q. Okay. So, let's switch over to the</p> <p>11 dispensing side.</p> <p>12 A. Okay.</p> <p>13 Q. Okay. Who -- and which you probably had</p> <p>14 a little bit of background in already, but who from</p> <p>15 the dispensing side was there to help flatten the</p> <p>16 learning curve for this controlled substance task</p> <p>17 force?</p> <p>18 A. Around good faith dispensing?</p> <p>19 Q. Yes. Well, we can start there.</p> <p>20 A. Well, Walgreens has always had a Good</p> <p>21 Faith Dispensing Policy ever since I can -- I can</p> <p>22 remember. So, we had that policy in place. It was</p> <p>23 referenced. But we didn't necessarily need a</p> <p>24 learning curve for that because it had already been</p>

<p style="text-align: right;">Page 94</p> <p>1 in place. Everybody in the room from an operations 2 side were pharmacists, and so we were all aware 3 that the policy was in place. 4 Q. Okay. Now, good faith dispensing, 5 though, was ultimately tweaked or modified and the 6 name was changed to targeted good faith dispensing, 7 right? 8 A. There is two policies. There is Good 9 Faith Dispensing Policy, which is the overarching 10 policy around all controlled substances, and then 11 the Target Drug Good Faith Dispensing Policy was 12 focused on the drugs that the DEA deemed the heart 13 of the opioid crisis. 14 Q. Okay. What would you consider to be the 15 heart of the opiate crisis? 16 A. The DEA identified oxycodone, 17 hydromorphone and Methadone as drugs that they 18 focused on. 19 Q. Oxycodone, hydrocodone, Methadone. 20 A. No, not hydrocodone because hydrocodone 21 was not a Schedule II at the time. Hydromorphone. 22 Q. Okay. 23 A. And Methadone. 24 Q. Okay. But hydrocodone became a</p>	<p style="text-align: right;">Page 96</p> <p>1 Q. Okay. 2 A. What we did was we redeployed it so that 3 every pharmacist had to reread it. So, if you had 4 been a pharmacist for ten years, you're going to 5 get a refresher. 6 Q. So, it was kind of a continuing, "Here 7 you need to read this again. It's been a while 8 since you've read it the last time" kind of a 9 thing? 10 A. Yes. 11 Q. Okay. Now, let's go back to the other 12 side, and we've refreshed my memory. Steve Bamberg 13 is from the IT department? 14 A. Yes. 15 Q. Okay. So, you have got, no offense to 16 Mr. Bamberg and Mr. Bancroft, but you got two kind 17 of smart computer math guys, right? 18 A. Yes. 19 Q. All right. So, I've gotten to talk to 20 Mr. Bancroft, very smart Ph.D. in math. But who 21 was it that actually helped come to these meetings 22 and say, "Okay, these are what our duties and 23 obligations are and this is what we need to do. 24 This is what the code says. This is what the reg</p>
<p style="text-align: right;">Page 95</p> <p>1 Schedule II? 2 A. Yes. 3 Q. And once it became Schedule II, would 4 that be included on the list of the targeted drugs? 5 A. We have not updated the targeted drug in 6 terms of drugs that are on there specifically. 7 Q. And the targeted good faith dispensing 8 was redeployed? 9 A. No, deployed. 10 Q. Okay. Good faith dispensing was 11 redeployed? 12 A. Yes. 13 Q. In 2013? 14 A. Yeah. 15 Q. Mid? 16 A. I don't remember the exact date, but it 17 was 2013. 18 Q. What does redeployed mean in the context 19 of good faith dispensing? 20 A. So, we made tweaks to the Good Faith 21 Dispensing Policy. Previously the Good Faith 22 Dispensing Policy was a policy that every 23 pharmacist had to read and acknowledge at time of 24 hire.</p>	<p style="text-align: right;">Page 97</p> <p>1 says. This is what we got to make sure we're 2 doing"? 3 A. I don't know. 4 Q. Well, you got math guys there. Math 5 guys are good when you tell them, "This is what I 6 need a solution to." 7 Who helped tell them, "This is my 8 problem. I need you all to come up with the 9 solution to address the issue"? 10 A. At the -- 11 MR. HOUTZ: Object on foundation. 12 BY THE WITNESS: 13 A. At the -- at the meeting specifically? 14 BY MR. MOUGEY: 15 Q. Any meetings. 16 A. Well, I -- prior to my involvement, I 17 don't know the answer to that. Once I got 18 involved, you know, with the working group of the 19 meeting, we had folks in the room, our attorneys, 20 whatever, digesting all these pages, whatever, and 21 whittling it down to -- 22 Q. All right. 23 A. -- what we needed to focus on. 24 Q. Were there agendas for these meetings?</p>

<p style="text-align: right;">Page 98</p> <p>1 A. Probably.</p> <p>2 Q. You would think so, right?</p> <p>3 A. Right.</p> <p>4 Q. Are you a note-taker?</p> <p>5 A. Yes.</p> <p>6 Q. And when you sat through these meetings,</p> <p>7 you took notes?</p> <p>8 A. I took notes of my to-dos, yes.</p> <p>9 Q. Yes, ma'am. And what is your practice</p> <p>10 with your notes when you're done with them and you</p> <p>11 go back to your office? What do you do with them?</p> <p>12 A. Once the project is underway --</p> <p>13 Q. Yes, ma'am.</p> <p>14 A. -- I pitch them.</p> <p>15 Q. Okay. So, when you say "once the</p> <p>16 project is underway," once it's finalized?</p> <p>17 A. Correct.</p> <p>18 Q. But this project, meaning the controlled</p> <p>19 substance task force which ultimately became</p> <p>20 Pharmaceutical Integrity, there were different</p> <p>21 variations and tweaks of the system all the way up</p> <p>22 until version 5.5, correct?</p> <p>23 A. I don't know the versions, but yes.</p> <p>24 Q. So, who was the -- if you had an agenda</p>	<p style="text-align: right;">Page 100</p> <p>1 then once -- once my team took over, then it was an</p> <p>2 a much smaller group of just my internal folks as</p> <p>3 we were getting everybody up to speed and ready.</p> <p>4 Q. So, into 2013.</p> <p>5 A. Yes.</p> <p>6 Q. That the group shifted from this</p> <p>7 controlled substance task force to the folks that</p> <p>8 you were filling out the Pharmaceutical Integrity</p> <p>9 group. Is that fair?</p> <p>10 A. Yes.</p> <p>11 Q. Where I'm struggling here is that</p> <p>12 Walgreens just pays -- is in the middle of an open</p> <p>13 investigation with the DEA. There's a task force</p> <p>14 that's formed. There's meetings that are occurring</p> <p>15 regularly.</p> <p>16 What I am not seeing in the production</p> <p>17 is any meeting minutes or e-mail traffic discussing</p> <p>18 the objectives and goals and what your group is</p> <p>19 doing. So, help me to -- maybe I'm just missing it</p> <p>20 and we're just bad document searchers, which some</p> <p>21 of your lawyers will tell us we are.</p> <p>22 So, tell me in the re line, would you</p> <p>23 all put -- would you put a specific like</p> <p>24 "Controlled substance task force" in the re line?</p>
<p style="text-align: right;">Page 99</p> <p>1 item that you wanted to put on this -- on these</p> <p>2 meetings that sometimes happened more than once a</p> <p>3 week, who would you tell to put it on the agenda?</p> <p>4 A. I would sometimes have, you know, be the</p> <p>5 owner of the meeting and I would make my own agenda</p> <p>6 or whoever was having the meeting, you know,</p> <p>7 whoever the organizer of the meeting was, we would</p> <p>8 just contribute to the agenda topics.</p> <p>9 Q. Would there be a call for agenda items?</p> <p>10 A. Call or we would send it in an e-mail.</p> <p>11 Q. That's what I meant.</p> <p>12 A. Yeah.</p> <p>13 Q. Just a call to action, "I need agenda</p> <p>14 items for our meeting Thursday" --</p> <p>15 A. Yes.</p> <p>16 Q. -- "on XYZ topic," right?</p> <p>17 A. Yes.</p> <p>18 Q. And these all occurred, these meetings,</p> <p>19 late 2012 and into '13, correct?</p> <p>20 A. That I was involved in, yes.</p> <p>21 Q. All right. So, the meetings more than</p> <p>22 once a week, sometimes frequent, occur. How long</p> <p>23 did that kind of number of meetings continue?</p> <p>24 A. Well, it was a long time, I mean, and</p>	<p style="text-align: right;">Page 101</p> <p>1 How would you know which meeting this was?</p> <p>2 A. What's a re line?</p> <p>3 Q. Subject line, I'm sorry, of the e-mail.</p> <p>4 A. Sorry. You're going to have to ask that</p> <p>5 question again.</p> <p>6 Q. Okay. You're confident there was</p> <p>7 agendas?</p> <p>8 A. Yes.</p> <p>9 Q. You're confident that some people took</p> <p>10 notes?</p> <p>11 A. Yes.</p> <p>12 Q. You're confident that there was e-mail</p> <p>13 traffic discussing in-between meetings maybe the</p> <p>14 topic of the meeting?</p> <p>15 A. Yes.</p> <p>16 Q. Are you confident that there were</p> <p>17 presentations made during these meetings from the</p> <p>18 folks that were brought in to help educate the</p> <p>19 group or the task force on specific topics?</p> <p>20 A. I don't remember presentations to</p> <p>21 educate the group. Occasionally there were</p> <p>22 presentations that would get sent up to leaders. I</p> <p>23 would have to provide topics to Rex so that he</p> <p>24 could update his bosses.</p>

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1 Q. Okay. But as far as educate -- where
2 I'm still -- kind of a missing hole to me is that
3 how did any one of this group understand the
4 regulatory component of Walgreens as a distributor?

5 MR. HOUTZ: Object on foundation.

6 BY THE WITNESS:

7 A. I don't know about the distributor part.
8 The meetings that I was in with -- we were working
9 on updating the policies. I mean, we sat in a room
10 with the current policy up on a screen, and we
11 would go through it, paragraph by paragraph, to
12 make sure that everything was still relevant or if
13 we needed to add additional information. And it
14 would depend on the -- what we were working on at
15 that point in time.

16 BY MR. MOUGEY:

17 Q. Do you understand that there is
18 United States code, federal code, that governs
19 Walgreens' duties as a distributor?

20 A. At the time, yes.

21 Q. Do you understand that there are
22 regulations, regs, promulgated under the U.S. Code
23 that define further Walgreens' responsibilities as
24 a distributor?

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1 A. I understand that there were codes and
2 regulations. There were times when I needed them
3 spelled out to me more clearly, but yes.

4 Q. So, when you needed them spelled out
5 more clearly to you, how did you -- where did you
6 go?

7 A. The regulatory/law folks.

8 Q. Okay. And tell me the process with
9 that. Would you ask for a meeting, would you call,
10 a little bit of both?

11 A. It was a little bit of both. Oftentimes
12 they were in the room because we had a lot of
13 questions and they would help, you know, translate
14 for us. Sometimes I would call. Sometimes I would
15 send an e-mail. It just depended.

16 Q. So, is it safe to say that almost your
17 entirety of your knowledge based on the code and
18 regs of Walgreens as a distributor came from
19 regulatory and legal?

20 A. Yes.

21 Q. Did you find that that information that
22 you got from regulatory compliance on -- I'm going
23 to call it the regulatory structure of Walgreens as
24 a distributor. Did you find that complex?

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1 A. Yes.

2 Q. Did you -- did you ask for a memorandum,
3 a memo, or anything in writing kind of laying it
4 out so you could have it as a reference point?

5 A. No.

6 Q. Did you -- was there a purposeful
7 decision not to put anything in writing so some day
8 a lawyer like me might be sitting here asking
9 questions about it?

10 A. No.

11 MR. HOUTZ: Object to form and foundation.

12 BY MR. MOUGEY:

13 Q. So, you got a complex topic. You have a
14 resource, regulatory and legal, and do you have a
15 person that you typically dealt with when you had
16 questions?

17 A. Yes.

18 Q. And who was that person?

19 A. Dwayne Piñon and Patty Zagami were our
20 usual points of contact.

21 Q. Is Patty a lawyer?

22 A. Yes.

23 Q. And so when the task force needed
24 guidance on the details of the regulatory

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1 structure, it would contact Dwayne and Patty?

2 A. Correct.

3 Q. Did you keep the agendas at any place,
4 on a desktop, in a folder, printed out in a drawer,
5 for these meetings?

6 A. Yes.

7 Q. And do you still have them today?

8 A. No.

9 Q. How long did you keep them until?

10 A. As soon as this Memorandum of Agreement
11 was signed and executed, it all went in the
12 garbage. We have a very --

13 Q. Was that at the direction of someone
14 internally?

15 A. No.

16 Q. You just happened on the date this was
17 signed to throw all of your notes out?

18 A. Well, here's -- here's the deal. We
19 went through a number of moves in our department to
20 different buildings and our space that we were
21 allotted has decreased substantially, and I didn't
22 need to keep it anymore because we had already
23 executed on what we signed.

24 Q. Help me to understand what you described

<p style="text-align: right;">Page 106</p> <p>1 as a complex issue, which is the regulatory 2 structure of Walgreens as a distributor, what would 3 you use for a reference point as you were going 4 through this process to make sure you understood 5 what the rules and regulations were? 6 A. When my team took over for the order 7 monitoring, we used the system that was put in 8 place. Any questions that we had to the system or 9 how the system worked, we would get ahold of Steve 10 or Wayne and then if we needed further 11 clarification on to the regulations, then we would 12 talk to Patty or Dwayne. But the system was 13 already in place when I took it over. 14 Q. We'll get to that. 15 A. Okay. 16 Q. Were there minutes of the meetings from 17 the task force, the controlled substance task 18 force, so after the meeting there would be a 19 rendition of what was discussed? 20 A. In some cases, yes. In other cases, no. 21 Q. Do you have an understanding of why 22 sometimes there were minutes and sometimes there 23 weren't? 24 A. Probably depended on what was getting</p>	<p style="text-align: right;">Page 108</p> <p>1 A. Yes. 2 Q. If I use the word "listserv," do you 3 know what that means? 4 A. No. 5 Q. Like if you create in Outlook an e-mail 6 that you could just type "controlled substance task 7 force" and if there is 15 people on the committee, 8 you don't have to type everyone's name in. 9 A. Yes. 10 Q. Because if you're like me you always 11 forget. 12 A. Right. 13 Q. Did you have a listserv that you would 14 type in "task force" or "controlled substance task 15 force"? 16 A. Not that I remember. 17 Q. But you would agree with me that one of 18 the primary focus points of the controlled 19 substance task force was to review Walgreens' 20 existing policies and procedures with regard to 21 Walgreens as a distributor and Walgreens as a 22 pharmacy to ensure that it was in compliance? 23 A. Yes. 24 Q. And in order to fill that objective, you</p>
<p style="text-align: right;">Page 107</p> <p>1 worked on. 2 Q. Excuse me one second. I want to check 3 on something. 4 In preparation for your testimony today, 5 did you look at specific documents? 6 A. Yes. 7 Q. And did you review any agendas or 8 minutes from the controlled substance task force? 9 A. No. 10 Q. Did you look at e-mails from the 11 controlled substance task force? 12 A. No. 13 Q. Was -- I'm going to mispronounce his 14 last name. Is it Piñon? 15 A. Yes. 16 Q. And Patty's last name is? 17 A. Zagami. 18 Q. Mr. Piñon and Ms. Zagami, were you all 19 directed to include them on e-mails as part of this 20 task force? 21 A. No. 22 Q. Were they on e-mails routinely, 23 Mr. Piñon and Ms. Zagami, as part of this -- the 24 meetings in late 2012, early '13?</p>	<p style="text-align: right;">Page 109</p> <p>1 had to have an understanding of what that 2 regulatory structure was? 3 A. Yes. 4 Q. And you got that regulatory structure 5 definition from Mr. Piñon and Ms. Zagami? 6 A. Sometimes I got it from that and 7 sometimes I got it from my own experience from 8 being a pharmacist and being in the field. 9 Q. Fair enough. On the dispensing side. 10 But on the distributor -- 11 A. Yes. 12 Q. -- side, if you needed information or 13 details on Walgreens' existing regulatory 14 obligations as a distributor, you went to Mr. Piñon 15 and Ms. Zagami? 16 A. Yes. 17 Q. Let's go back to where we started, which 18 is, Ms. Polster, your CV, which is marked as 19 Polster 1, and go back to Walgreen Company 20 Deerfield, Illinois, Senior Director, 21 Pharmaceutical Integrity and Third Party 22 Operations. 23 A. I'm sorry. Which page are you on? 24 Q. Bates No. 180.</p>

<p style="text-align: right;">Page 110</p> <p>1 A. Yes.</p> <p>2 Q. Let's just go through what you've</p> <p>3 indicated here.</p> <p>4 "Walgreens Company, Deerfield, Illinois.</p> <p>5 Responsible for the overall strategy for the</p> <p>6 Pharmaceutical Integrity Group including developing</p> <p>7 system solutions and managing projects. Constructs</p> <p>8 the process for Third Party Operations to enable</p> <p>9 the attainment of legal and ethical requirements of</p> <p>10 pharmacy to increase efficiency/profitability and</p> <p>11 improve overall pharmacy operations for handling</p> <p>12 third party prescriptions."</p> <p>13 You "oversee the design, development,</p> <p>14 implementation and maintenance of contracted third</p> <p>15 party prescription programs and all state Medicaid</p> <p>16 programs. Produces the strategy to mitigate risk</p> <p>17 in both Rx Integrity and Third Party Operations to</p> <p>18 minimize loss of company assets."</p> <p>19 Did I read that right?</p> <p>20 A. Yes.</p> <p>21 Q. Where in that description does, as</p> <p>22 you're head or the director of Pharmaceutical</p> <p>23 Integrity, does it include ensuring that Walgreens</p> <p>24 is compliant with its role as a distributor?</p>	<p style="text-align: right;">Page 112</p> <p>1 (WHEREUPON, a certain document was</p> <p>2 marked as Walgreens-Polster Exhibit</p> <p>3 No. 4: Tasha Polster, LinkedIn</p> <p>4 profile.)</p> <p>5 BY MR. MOUGEY:</p> <p>6 Q. I believe this is your resume on</p> <p>7 LinkedIn. Correct?</p> <p>8 A. Oh. Yeah, you had to remind me what</p> <p>9 this was, but yes.</p> <p>10 Q. Does this look like something you put</p> <p>11 together?</p> <p>12 A. Yes.</p> <p>13 Q. And can you flip through it and tell me</p> <p>14 if this looks like an accurate depiction of your</p> <p>15 tenure?</p> <p>16 A. Yeah.</p> <p>17 Q. Okay. Well, let's just start at the</p> <p>18 back, and we will go through these quickly. And</p> <p>19 similar to the resume we just looked at as Polster</p> <p>20 1, you start at the bottom with your education and</p> <p>21 then walk through your cashier, your intern, your</p> <p>22 staff pharmacist and then pharmacy manager.</p> <p>23 Do you see that?</p> <p>24 A. Yep.</p>
<p style="text-align: right;">Page 111</p> <p>1 A. I mean, it's not specifically in here.</p> <p>2 Q. It's not even generally. The word</p> <p>3 "distributor" doesn't even appear, right?</p> <p>4 A. Right.</p> <p>5 Q. Is there a reason for that?</p> <p>6 A. Because I -- when I made this CV, it was</p> <p>7 after we stopped distributing controlled</p> <p>8 substances.</p> <p>9 Q. But that doesn't change the scope of</p> <p>10 what your responsibility was during the time,</p> <p>11 correct?</p> <p>12 A. True.</p> <p>13 Q. So, there is no description in your</p> <p>14 resume about being affiliated in any shape, form or</p> <p>15 fashion with ensuring that Walgreens was compliant</p> <p>16 as a distributor, correct?</p> <p>17 A. Right.</p> <p>18 Q. Is that -- is that something you're</p> <p>19 embarrassed about or that you wouldn't want people</p> <p>20 to know that you were in a director role ensuring</p> <p>21 that Walgreens was compliant as a distributor?</p> <p>22 A. No.</p> <p>23 Q. Well, let me hand you what I will mark</p> <p>24 as Polster 4.</p>	<p style="text-align: right;">Page 113</p> <p>1 Q. And your pharmacy manager is you start</p> <p>2 to have more significant roles, you give a</p> <p>3 description underneath of the entry, correct?</p> <p>4 A. Yes.</p> <p>5 Q. And similar for the next entry, January</p> <p>6 '97 to January of '03 as a pharmacy supervisor, you</p> <p>7 give a description, correct?</p> <p>8 A. Yep.</p> <p>9 Q. And then the next, on page 3 of 5,</p> <p>10 manager, pharmacy operating systems, you give</p> <p>11 several paragraphs of description in that role,</p> <p>12 correct?</p> <p>13 A. Yes.</p> <p>14 Q. And the next role you had at Walgreens,</p> <p>15 from '07 to '12, director, pharmacy operations</p> <p>16 optimization, you again have multiple paragraphs</p> <p>17 elaborating on your --</p> <p>18 A. Right.</p> <p>19 Q. -- your job, correct?</p> <p>20 A. Yes.</p> <p>21 Q. But then we get to Walgreens, director</p> <p>22 of Pharmaceutical Integrity and it says 2012 to the</p> <p>23 present, which I think is around '14, and the entry</p> <p>24 is blank, correct?</p>

<p style="text-align: right;">Page 114</p> <p>1 A. What?</p> <p>2 Q. Under Pharmaceutical Integrity,</p> <p>3 November 2012, on page 2 of 5.</p> <p>4 A. Oh.</p> <p>5 Q. You provide no details, correct?</p> <p>6 A. Yep, that's right.</p> <p>7 Q. So, not only do you not mention the word</p> <p>8 "distributor," there is no job description in</p> <p>9 Pharmaceutical Integrity, correct?</p> <p>10 A. Right.</p> <p>11 Q. Does that have anything to do with the</p> <p>12 fact that you don't want the reader to know that</p> <p>13 you were involved with Walgreens ensuring its</p> <p>14 compliance as a role of distributor before the</p> <p>15 settlement agreement was entered?</p> <p>16 A. No.</p> <p>17 Q. Nothing to do with that?</p> <p>18 A. No.</p> <p>19 Q. Just a coincidence that it's blank?</p> <p>20 A. I wouldn't say coincidence. I think</p> <p>21 it's an oversight on my part.</p> <p>22 Q. It's an oversight that you left it</p> <p>23 blank?</p> <p>24 A. Right.</p>	<p style="text-align: right;">Page 116</p> <p>1 procedures were compliant with federal code and reg</p> <p>2 as a distributor?</p> <p>3 A. My job when I led the Pharmaceutical</p> <p>4 Integrity team was to ensure that we were compliant</p> <p>5 with the regulations around the controlled</p> <p>6 substances that were getting shipped to our stores.</p> <p>7 If that's what you were saying, then yes.</p> <p>8 Q. How long would these meetings take place</p> <p>9 with the controlled substance task force in</p> <p>10 September, October, November, December?</p> <p>11 A. I mean, it could be all over the board.</p> <p>12 It depended on what we were working on</p> <p>13 specifically. It could be a 15-minute phone call.</p> <p>14 It could be a two-hour meeting. I mean, there were</p> <p>15 a lot of workstreams that were within this, and I</p> <p>16 was involved in a lot of them.</p> <p>17 Q. And was the pace pretty frantic in late</p> <p>18 2012 with the controlled substance task force?</p> <p>19 A. I wouldn't use the word "frantic." I</p> <p>20 mean, there were -- there was a lot of work to do.</p> <p>21 But frantic would not be my adjective.</p> <p>22 Q. Stressful?</p> <p>23 A. Busy, time-constrained maybe.</p> <p>24 Q. Busy. Busy. You are comfortable with</p>
<p style="text-align: right;">Page 115</p> <p>1 Q. And is it also an oversight in your</p> <p>2 resume that when we look at the description of your</p> <p>3 job as senior director Pharmaceutical Integrity,</p> <p>4 that it doesn't list anything to do with</p> <p>5 distributors?</p> <p>6 A. There is nothing malicious about this.</p> <p>7 I just am not looking for a job. Before I was</p> <p>8 looking for a promotion. That's why -- that's why</p> <p>9 you put all your stuff in there, you know, so you</p> <p>10 can get recruiters and whatnot to come, you know,</p> <p>11 find you and perhaps offer you a job that was</p> <p>12 paying you more money or whatever.</p> <p>13 Man, by the time Pharmacy Integrity hit,</p> <p>14 we hit the ground running and I was busy. I wasn't</p> <p>15 looking for a job. So, let me tell you, my</p> <p>16 LinkedIn profile was the least of my worries.</p> <p>17 Q. So, your LinkedIn profile doesn't</p> <p>18 mention anything to do with Pharmaceutical</p> <p>19 Integrity and your -- your detailed,</p> <p>20 several-page CV doesn't even use the word</p> <p>21 "distributor" in it, correct?</p> <p>22 A. Correct.</p> <p>23 Q. But you're not questioning today that</p> <p>24 your job was to ensure that Walgreens' policies and</p>	<p style="text-align: right;">Page 117</p> <p>1 busy?</p> <p>2 A. Yeah.</p> <p>3 Q. And to enable -- to coordinate multiple</p> <p>4 people on a similar task, there had to have been a</p> <p>5 significant amount of written communication</p> <p>6 organizing everyone moving forward through late</p> <p>7 '12, correct?</p> <p>8 A. Yes.</p> <p>9 Q. Are you familiar with a company called</p> <p>10 Tableau? I might be mispronouncing it.</p> <p>11 A. Oh. Tableau, yes.</p> <p>12 Q. What do you understand that Tableau is?</p> <p>13 A. My very limited knowledge was that it</p> <p>14 could take data and put it into charts for you.</p> <p>15 Q. An interface between taking large</p> <p>16 datasets and turning it into something user</p> <p>17 friendly like a dashboard?</p> <p>18 A. Sure.</p> <p>19 Q. I hand you what we are going to mark as</p> <p>20 P-WAG-222 and Polster 5.</p> <p>21 (WHEREUPON, a certain document was</p> <p>22 marked as Walgreens-Polster Exhibit</p> <p>23 No. 5: 1/28/13 memo;</p> <p>24 WAGMDL00708763.)</p>

<p style="text-align: right;">Page 118</p> <p>1 BY MR. MOUGEY:</p> <p>2 Q. This is dated January 28, 2013, and it's</p> <p>3 between you and Christopher Dymon, right?</p> <p>4 A. Yes.</p> <p>5 Q. And Mr. Dymon was ultimately part of the</p> <p>6 Pharmaceutical Integrity group, correct?</p> <p>7 A. Yes, at the time.</p> <p>8 Q. And he was one of the first hires into</p> <p>9 Pharmaceutical Integrity, correct?</p> <p>10 A. Yes.</p> <p>11 Q. And I forget his exact title. Was he</p> <p>12 one of the regional managers?</p> <p>13 A. He was a -- yeah, divisional manager,</p> <p>14 yeah.</p> <p>15 Q. And do you remember which division</p> <p>16 geographically?</p> <p>17 A. No.</p> <p>18 Q. Did he have any kind of an analytic</p> <p>19 background?</p> <p>20 A. No.</p> <p>21 Q. Meaning kind of a data guy or was he</p> <p>22 more on the pharmacy?</p> <p>23 A. Yeah, he's a pharmacist by trade.</p> <p>24 Q. Okay. So, if you go down to the -- it</p>	<p style="text-align: right;">Page 120</p> <p>1 A. Yes.</p> <p>2 Q. All right. So, and you said it was</p> <p>3 Mr. -- what was his name?</p> <p>4 A. Ray Stukel.</p> <p>5 Q. Ray Stukel. It's right there in the</p> <p>6 second bullet. And you believe that he was with</p> <p>7 loss prevention?</p> <p>8 A. Yes.</p> <p>9 Q. Do you know what his job was with loss</p> <p>10 prevention?</p> <p>11 A. No, but I know he was my data guy to</p> <p>12 help me put it into a chart.</p> <p>13 Q. Okay. So, if you wanted to see data in</p> <p>14 a nice chart, you'd call -- Ray would be one of the</p> <p>15 people you'd call?</p> <p>16 A. Right.</p> <p>17 Q. Do you have an understanding of what</p> <p>18 Mr. Stukel was using Tableau for?</p> <p>19 A. I don't know what he was using it prior</p> <p>20 to us, that team.</p> <p>21 Q. Okay. How about once your team got</p> <p>22 started and the task force and you identified</p> <p>23 Mr. Stukel as somebody that could help you with</p> <p>24 charts and graphs, did you have an understanding of</p>
<p style="text-align: right;">Page 119</p> <p>1 looks like -- 1, 2, 3 -- fourth header, "Controlled</p> <p>2 Substance District-Store Level Tableau Reports"?</p> <p>3 A. Yes.</p> <p>4 Q. So, what's entered here is "Goal is to</p> <p>5 visually summarize CSOM data into a useful and</p> <p>6 usable document on the district and store level."</p> <p>7 So, were you all using Tableau?</p> <p>8 A. We weren't personally. But the next</p> <p>9 line, Ray Stukel, he was working in the -- I think</p> <p>10 he was in the loss prevention division, and he had</p> <p>11 the Tableau license; and so he helped us put things</p> <p>12 into Tableau so that we could see charts and</p> <p>13 graphs.</p> <p>14 Q. If I use the word "dashboard," does that</p> <p>15 make sense to you? So, like if you were to pull up</p> <p>16 a screen, a window on your computer and there might</p> <p>17 be, you know, charts and graphs and different boxes</p> <p>18 with different metrics?</p> <p>19 A. Yes.</p> <p>20 Q. Is that -- is that -- that's how I am</p> <p>21 using the word in the concept "dashboard."</p> <p>22 A. Okay.</p> <p>23 Q. Would Tableau give you a dashboard with</p> <p>24 different metrics related to with Walgreens data?</p>	<p style="text-align: right;">Page 121</p> <p>1 what he was looking at as a member of loss</p> <p>2 prevention?</p> <p>3 A. I don't know what he was looking at</p> <p>4 specifically, but I know what I asked him for.</p> <p>5 Q. Okay. Did he tell you what Tableau was</p> <p>6 capable of pulling? Did he give you a menu or a --</p> <p>7 A. No.</p> <p>8 Q. -- a list? How would you even know what</p> <p>9 to ask for?</p> <p>10 A. Well, what I was looking at specifically</p> <p>11 was related to the work that my team was doing,</p> <p>12 and, you know, how many -- how many orders was each</p> <p>13 division reviewing, did we have, you know, one</p> <p>14 division have more than others, depended on, you</p> <p>15 know, the number of stores that were in that area,</p> <p>16 et cetera.</p> <p>17 Q. Is it fair to say that Mr. Stukel</p> <p>18 provided support with pulling data for</p> <p>19 Pharmaceutical Integrity for you all to do your</p> <p>20 work on Walgreens' responsibility as both a</p> <p>21 distributor and a dispenser?</p> <p>22 A. Yes, he provided support for data.</p> <p>23 Q. And do you have a time context that</p> <p>24 Mr. Stukel provided support for data?</p>

<p style="text-align: right;">Page 122</p> <p>1 A. Well, definitely it was 2013, but he 2 went on to another job and I don't remember when 3 that was. But for sure it was during 2013. 4 Q. All right. You suggest earlier that you 5 recalled what kind of data you asked him for? 6 A. Yes. 7 Q. Would you walk me through what you 8 believe you asked him for? 9 A. I wanted to know the number of orders 10 that my team was reviewing in order to, and I know 11 I'm not going to remember all this, I will just put 12 that out there right now, but in order to make sure 13 that the workload or distribution was appropriate 14 for the number of people that we had working for 15 that particular manager in the division. 16 Q. Now, you used the word "order," "number 17 of orders my team was reviewing." What do you mean 18 by that? 19 A. So, when the ordering system creates an 20 order based on usage at store level, the way the 21 order -- the order monitoring system works is it 22 gets reviewed and hits up against the algorithm 23 that Wayne built. 24 Q. Okay.</p>	<p style="text-align: right;">Page 124</p> <p>1 work was equally distributed? 2 A. Not equally distributed because I had it 3 broken out by division. 4 Q. Okay. 5 A. But, you know, like, for example, a 6 Florida, Illinois, a California is going to have a 7 lot more stores than Idaho and Wyoming. 8 And so we had to make sure that we had 9 enough people that were overseeing those specific 10 states, right? 11 Q. Right. 12 A. Because you're going to see more 13 scripts -- sorry -- more orders come in if you've 14 got more stores in that area. 15 Q. So, when you asked Mr. Stukel to help 16 you pull whatever charts or graphs it was, how 17 would it come to you? 18 A. Generally came in a -- I can't 19 remember -- either a pie chart or one of those 20 waterfall charts or the bars. 21 Q. Okay. So, it would come in in some sort 22 of a chart or a graph? 23 A. Yeah, yeah, a graph of some sort. 24 Q. Did you ever go and sit with Mr. Stukel</p>
<p style="text-align: right;">Page 123</p> <p>1 A. And if that order exceeds that 2 threshold, then we would look at it to ensure 3 that -- well, no. It's not even allowed to exceed 4 the threshold. 5 The stores have to submit a form that 6 has all the documentation as to why they would need 7 more than what the algorithm says that it should. 8 Q. Okay. 9 A. And then once it's reviewed, then we 10 release the order. We released it at the time to 11 our distribution center and now we release it to 12 our wholesaler. 13 Q. When you say they submit a form, is that 14 the override form? 15 A. Yes. 16 Q. So, you wanted help looking at the 17 number of orders that were assigned to each one of 18 your managers to review so that you knew how many 19 override forms they were looking at? 20 A. Override forms and just work in general, 21 to make sure that we could get to all of the work 22 appropriately so that the stores were taken care of 23 if they needed anything. 24 Q. Were you trying to make sure that the</p>	<p style="text-align: right;">Page 125</p> <p>1 and look over his shoulder at the Tableau 2 interface? 3 A. No. 4 Q. Did your group ever use the Tableau 5 interface within Pharmaceutical Integrity? 6 A. I don't -- I don't know if they used it. 7 It required a license, and I can't remember how 8 many licenses we had. 9 Q. So, Walgreens was constrained just by 10 the number of licenses? 11 A. Yes. 12 Q. And you're obviously familiar if 13 Walgreens wanted to spend a little more money on 14 licenses, more people could have had it? 15 A. I don't know how that worked. 16 Q. You don't know. Let me make sure we're 17 on the same page still. 18 So, Tableau is an interface that is able 19 to extract specific Walgreens data and could be 20 used for monitoring purposes for Walgreens to fill 21 its role as a distributor and a pharmacy? 22 MR. HOUTZ: Object on foundation. 23 BY THE WITNESS: 24 A. I don't know.</p>

<p style="text-align: right;">Page 126</p> <p>1 BY MR. MOUGEY:</p> <p>2 Q. You don't know what Tableau is?</p> <p>3 A. Well, I know Tableau is a -- is a user</p> <p>4 interface for data.</p> <p>5 Q. Okay.</p> <p>6 A. But I don't know what all it was used</p> <p>7 for. I know what I used it for.</p> <p>8 Q. Well, that's fair enough. I'm not</p> <p>9 asking you for a crystal ball. I'm asking what you</p> <p>10 and your group used Tableau for.</p> <p>11 A. Okay.</p> <p>12 Q. You and your group used Tableau to</p> <p>13 extract Walgreens data. Yes?</p> <p>14 A. Yes.</p> <p>15 Q. And put it into a chart or a form,</p> <p>16 correct?</p> <p>17 A. Yes.</p> <p>18 Q. That would assist you in determining</p> <p>19 whether or not Walgreens was meeting its</p> <p>20 responsibilities as a distributor?</p> <p>21 A. No.</p> <p>22 Q. You used the data extracted from</p> <p>23 Mr. Stukel through Tableau to help you in your</p> <p>24 day-to-day job in Pharmaceutical Integrity?</p>	<p style="text-align: right;">Page 128</p> <p>1 A. Yes.</p> <p>2 Q. And depending on the project, they would</p> <p>3 be different war rooms?</p> <p>4 A. Yes.</p> <p>5 Q. And maybe a conference room just like</p> <p>6 this where everybody could go and meet and the</p> <p>7 material was already gathered and laid out there.</p> <p>8 Is that fair?</p> <p>9 A. Yes.</p> <p>10 Q. So, in late 2012, there were some</p> <p>11 references to a war room with Pharmaceutical</p> <p>12 Integrity. Do you recall that?</p> <p>13 A. Yeah, I was -- it was called lots of</p> <p>14 things. So, yes.</p> <p>15 Q. Okay. So, did you have, you meaning</p> <p>16 Pharmaceutical Integrity, have a -- I'm going to</p> <p>17 call it an educational process where people that</p> <p>18 came into your group on a rolling basis where you</p> <p>19 educated them on what the system was prior to the</p> <p>20 creation of Pharmaceutical Integrity?</p> <p>21 MR. HOUTZ: Object to form.</p> <p>22 BY THE WITNESS:</p> <p>23 A. When you say "system," can you be more</p> <p>24 specific?</p>
<p style="text-align: right;">Page 127</p> <p>1 A. Yes.</p> <p>2 Q. Okay. Now, late 2012, early 2013, are</p> <p>3 you familiar with the word "war room"?</p> <p>4 A. Yes.</p> <p>5 Q. And that you and the team as it was</p> <p>6 developing worked out of a war room frequently,</p> <p>7 correct?</p> <p>8 A. Yes.</p> <p>9 Q. And would you describe, as you all used</p> <p>10 the term "war room" internally, what you meant by</p> <p>11 war room?</p> <p>12 A. There are lots of war rooms, you know,</p> <p>13 depending on what the thing was and, you know, my</p> <p>14 definition of it -- of a war room was a task force</p> <p>15 of some sort that has one specific room that they</p> <p>16 can go to to finish solving the problem of whatever</p> <p>17 the problem is.</p> <p>18 There were lots of war rooms. There was</p> <p>19 a war room for Hurricane Katrina. There were, you</p> <p>20 know, lots of war rooms.</p> <p>21 Q. So, material, documents, things would be</p> <p>22 gathered in a room where people could go and meet</p> <p>23 and it was spread out on a table for quick and easy</p> <p>24 access. Is that fair?</p>	<p style="text-align: right;">Page 129</p> <p>1 BY MR. MOUGEY:</p> <p>2 Q. Really just anything.</p> <p>3 A. Oh.</p> <p>4 Q. How did you get people up to speed --</p> <p>5 A. Yeah.</p> <p>6 Q. -- with what Walgreens' system was prior</p> <p>7 to 2013?</p> <p>8 MR. HOUTZ: Object to form.</p> <p>9 BY THE WITNESS:</p> <p>10 A. We would give a very short overview, but</p> <p>11 we would -- listen, we had a lot of work and a lot</p> <p>12 of things going on. We didn't have a lot of time</p> <p>13 to educate for days and days.</p> <p>14 So, depended on what the project was.</p> <p>15 Was it the learning and development team, was it</p> <p>16 the communications team, which team was coming in,</p> <p>17 we'd give them a high level overview, tell them</p> <p>18 what we needed to do and then we'd get to work.</p> <p>19 BY MR. MOUGEY:</p> <p>20 Q. When you say the learning and</p> <p>21 development team and the communications team, what</p> <p>22 do you mean?</p> <p>23 A. So, learning and development, that team</p> <p>24 helps us launch policies and documents our</p>

<p style="text-align: right;">Page 130</p> <p>1 pharmacists acknowledging those policies that they 2 saw them, that they understand them. 3 The communication team helps us take the 4 information that we're trying to get down to store 5 level and put it into consistent format so the 6 stores can read it efficiently and, you know, get 7 it to the point. 8 People that are not communication 9 specialists sometimes can be wordy. Stores don't, 10 you know, want to read all that. They just need to 11 understand what the point is of whatever it is 12 you're sending out. 13 Q. Let me stick on this Tableau for a 14 minute. Do you know -- are you familiar with what 15 a Tableau workbook is? 16 A. No. I may have seen one, but I don't 17 know. 18 Q. Are you familiar with what a shared 19 drive is at Walgreens? 20 A. Yes. 21 Q. And that Rx Integrity had their own 22 folder? 23 A. Yes. 24 Q. And people from around Walgreens would</p>	<p style="text-align: right;">Page 132</p> <p>1 A. Hydrocodone. 2 Q. All right. And you wanted to know how 3 many dosage units per script so you could perform 4 some analysis. Is that what you're asking? 5 A. Yes. 6 Q. And if you needed data like that, is 7 that a typical exchange between you and Mr. Stukel 8 as you were trying to gather information? 9 A. Yes, at the time, yes. 10 Q. And Mr. Stukel responds. He said, 11 "Hi Tasha - the standard Tableau workbook is now on 12 the shared drive in the Rx Integrity folder under 13 'Ad Hoc Analyses.' The file is called 'District 14 116' because I pulled info for all the district 15 stores that we could compare 11137 to its local 16 peers." 17 Do you see that, sir? 18 A. Yes. 19 Q. "A quick review of the dashboard 20 suggests that this store is pretty similar to the 21 others within the district and there are a few 22 doctors who are writing substantial proportions of 23 the store's Rx for some of the high volume 24 hydrocodone products (seen most clearly on the PBR</p>
<p style="text-align: right;">Page 131</p> <p>1 include material in that shared Rx Integrity folder 2 so your team could access it? 3 A. My team, yes. 4 Q. Okay. I hand you what I will mark as 5 Polster 6. 6 (WHEREUPON, a certain document was 7 marked as Walgreens-Polster Exhibit 8 No. 6: 2/8/13 e-mail string; 9 WAGMDL00101769 - 00101770.) 10 BY MR. MOUGEY: 11 Q. This is an e-mail exchange from the 12 beginning of 2013, February 7 to February 8, 13 between you and Mr. Stukel, the same gentleman we 14 were just referring to out of loss prevention. 15 Do you see that? 16 A. Yep. 17 Q. The data guy. So, you had asked him -- 18 I'm in the middle of the page, Bates No. 1769 -- 19 "Ray, would you run all HC products for this store. 20 I need to be able to see quantities per Rx for what 21 is written." 22 Do you see that? 23 A. Yes. 24 Q. Now, HC stands for?</p>	<p style="text-align: right;">Page 133</p> <p>1 scatter page)." 2 Do you see that, sir -- ma'am? 3 A. Yes. 4 Q. So, this type of e-mail exchange with 5 Mr. Stukel was fairly common where you were asking 6 him to pull the underlying data through the Tableau 7 interface and asking him to organize it so that it 8 kind of made sense for you? 9 A. Yes. 10 Q. You'd agree that the amount of data at 11 Walgreens, you know, with 5,000 plus stores is a 12 little overwhelming? 13 A. Yes. 14 Q. And having it organized in some sort of 15 a chart or a graph or a scatterplot is very 16 helpful, correct? 17 A. Yes. 18 Q. And did you have the ability as director 19 of Pharmaceutical Integrity in 2013 to just pull 20 data from Walgreens' server so you could organize 21 pills and dosage units and find hot spots or any of 22 that? 23 A. No, I could not do it. 24 Q. And you couldn't do it because you</p>

<p style="text-align: right;">Page 134</p> <p>1 didn't have the technical know-how or because there 2 wasn't an interface established for you to just 3 kind of click on what you wanted to pull? 4 A. Both. 5 Q. All right. So, there was ultimately a 6 dashboard that was created for Pharmaceutical 7 Integrity, correct? 8 A. I don't remember dashboard. I know 9 that -- I mean -- and this was a long time ago. I 10 remember working with Ray and having him pull data 11 and helping me understand the data. But when you 12 say dashboard, I don't remember going in and 13 looking at a dashboard or anything like that. 14 Q. He references even dashboard here, "a 15 quick review of the dashboard." 16 Do you see that? 17 A. Yes. 18 Q. All right. What would you call it if 19 you pull it up and there were a lot of graphs and 20 charts organizing data like quantities for 21 hydrocodone for the store? 22 A. Again, I don't remember this exact pull. 23 I don't remember what he gave me. But I never went 24 into my shared drive, ever. My people, they messed</p>	<p style="text-align: right;">Page 136</p> <p>1 between you and Mr. Mills, correct? 2 A. Yes. 3 Q. And it's dated February 14, 2013, 4 correct? 5 A. Yes. 6 Q. And another reference to Tableau in the 7 third section down, correct? 8 A. Yep. 9 Q. And Mr. Mills -- and what was Mr. Mills' 10 role within Pharmaceutical Integrity? 11 A. He was an analyst that reported up into 12 one of the managers. 13 Q. So, more -- more of a data guy? 14 A. Yeah. 15 Q. And "This week I gained access to the 16 queries Ray uses to create the Tableau tables." 17 Do you see that? 18 A. Yep. 19 Q. "I just need Tableau and we will be able 20 to access" -- "and we will be able to create the 21 tables as needed basis without going to Ray." 22 That would make sense, right? 23 A. Yep. 24 Q. Your group should be able to do that</p>
<p style="text-align: right;">Page 135</p> <p>1 with the shared drive. I did not. If I needed 2 something, I asked them to send it to me directly. 3 Q. Okay. Who is somebody on your staff 4 that -- that you felt like had a good command of 5 the Tableau workbook and knew what information was 6 there? 7 A. We didn't use Tableau much past 2013. I 8 mean, after -- after Ray left his job and went to 9 whatever job he went to, I relied pretty heavily on 10 Ed Bratton to put together graphs and charts for 11 me. But I don't remember if he used Tableau or if 12 he used some other form. 13 Q. And Steve Mills was a member of your 14 group too, correct? 15 A. Yes, he was. 16 Q. Hand you what I will mark as -- it's 17 P-WAG-2619. 18 (WHEREUPON, a certain document was 19 marked as Walgreens-Polster Exhibit 20 No. 7: 4/19/13 e-mail with 21 attachment; WAGMDL00245768 - 22 00245769.) 23 BY MR. MOUGEY: 24 Q. Do you see this is another internal memo</p>	<p style="text-align: right;">Page 137</p> <p>1 internally as you were building out and the process 2 was being able to build out within your own group, 3 correct? 4 A. Yes. 5 Q. Bullet, the next bullet under "Tableau 6 Reporting Dashboards, Rx checklist data is ready to 7 be deployed to the field. We just need to agree on 8 a day to send out the reports." 9 Do you have an understanding what "Rx 10 checklist data" is? 11 A. I don't remember what that was. 12 Q. Let's go to the "Cardinal SOM." 13 A. Okay. 14 Q. A part of your job description was third 15 party -- I can't remember the exact terminology. 16 A. Third party operations. 17 Q. Third party operations. Did that 18 include overseeing Walgreens' relationships with 19 third-party vendors who were distributors? 20 A. No. 21 Q. Okay. What was that? 22 A. Third party operations is the billing of 23 insurance cards. So, when a patient comes in and 24 brings in insurance -- it has nothing to do with</p>

<p style="text-align: right;">Page 138</p> <p>1 Pharmacy Integrity. Completely different 2 workstream entirely. 3 So, when you or a patient comes in with 4 your insurance card from Cigna or whatever, hand it 5 to the pharmacy. Pharmacy has to enter in the data 6 and then you have a -- when the prescription gets 7 processed, the co-pay comes out, and we ensure that 8 it's billed correctly. 9 Q. If you had -- 10 A. Patients are taken care of. 11 Q. Sorry. Didn't mean to interrupt you. 12 If you had -- do you have an estimate in 13 2013 of how much of your time went to 14 Pharmaceutical Integrity and how much of your time 15 went to the third party operations you just 16 described? 17 A. The majority of the work -- of the time 18 went to Pharmaceutical Integrity because it was new 19 and just getting up to speed and I'm still hiring 20 people and making sure they know what to do. 21 Q. Did your pay come from two different 22 groups within Walgreens? 23 A. My paycheck? 24 Q. Your paycheck.</p>	<p style="text-align: right;">Page 140</p> <p>1 Q. ANDA was another, correct? 2 A. I don't remember when ANDA came on 3 board, but they are a distributor for us now. 4 Q. Yes, ma'am. And ABC as well, correct? 5 A. Yes. 6 Q. AmerisourceBergen. Now, we're going to 7 get into the specifics of the suspicious order 8 monitoring policy, but while we are on this doc, 9 just bear with me for a second. 10 You've mentioned and just in the last 11 series of questions we talked about the number of 12 orders that your team was reviewing, correct? 13 A. Yes. 14 Q. And if an order exceeded a certain 15 threshold, Walgreens reduced that order, correct? 16 A. No, we didn't reduce it. 17 MS. FIX MEYER: Objection. 18 BY MR. MOUGEY: 19 Q. That you canceled the order and told the 20 pharmacy that it had to be -- couldn't be any 21 higher than X, correct? 22 MR. HOUTZ: Object to form. 23 BY THE WITNESS: 24 A. Not exactly.</p>
<p style="text-align: right;">Page 139</p> <p>1 A. No. 2 Q. Was it split between budget items 3 between two different groups? 4 A. Oh. No. 5 Q. So, when you say majority of your time, 6 is that 55, 60% went to Pharmaceutical Integrity? 7 A. I'd say probably 75%. 8 Q. Was that consistent all the way through 9 '13 or did it get -- lighten up? 10 A. No, it stayed pretty consistent. A 11 lot -- the majority of the time that I spent was on 12 Pharmaceutical Integrity because the third party 13 operations team was already up and running and I 14 had leaders on that team. 15 Q. So, let's just go down to the Cardinal 16 entry. I just want to understand. 17 A. Sure. 18 Q. You would agree that in addition to 19 Walgreens as a distributor, Walgreens also used the 20 services of other third party distributors, 21 correct? 22 A. Yes. 23 Q. Cardinal was one of them, correct? 24 A. Yes.</p>	<p style="text-align: right;">Page 141</p> <p>1 BY MR. MOUGEY: 2 Q. You just tell me what you think you did. 3 A. Well, I can tell you what I know I did. 4 Q. Go ahead. 5 A. So, when the order exceeded the limit, 6 the store was not shipped product. And then we 7 developed a tool to let the stores know if they 8 were reaching their ceiling, and we gave them 9 visibility into the number of bottles that they 10 would be able to order but they couldn't go over 11 the order unless they filled out the controlled 12 substance order form that had all the proper 13 documentation as to why they needed it. 14 Q. Yes, ma'am. I'm sure they did. 15 So, once you told them what the 16 threshold was and told them what they could order, 17 then they ordered up to that amount, correct, and 18 that's called -- that's called a threshold? 19 MR. HOUTZ: Object to form. 20 MS. FIX MEYER: Objection; form. 21 BY THE WITNESS: 22 A. In some cases they used it. In a lot of 23 cases they didn't. It took a long time to get them 24 trained.</p>

<p style="text-align: right;">Page 142</p> <p>1 BY MR. MOUGEY:</p> <p>2 Q. I'm sure it did. So, under "Cardinal</p> <p>3 SOM," that stands for suspicious order monitoring,</p> <p>4 correct?</p> <p>5 MS. FIX MEYER: Object to form.</p> <p>6 BY THE WITNESS:</p> <p>7 A. Yes.</p> <p>8 BY MR. MOUGEY:</p> <p>9 Q. On the third bullet down, "About 60% of</p> <p>10 these orders are legitimate orders that should be</p> <p>11 canceled."</p> <p>12 The last sentence says, "These are</p> <p>13 stores who are over their corporate ceiling." And</p> <p>14 corporate ceiling is Walgreens' corporate ceiling,</p> <p>15 correct?</p> <p>16 A. Yes.</p> <p>17 Q. Means that they weren't allowed to order</p> <p>18 any more, correct?</p> <p>19 A. Without proper documentation, yes.</p> <p>20 Q. And -- but "they are going to Cardinal</p> <p>21 to request the product."</p> <p>22 Do you see that?</p> <p>23 A. Yep.</p> <p>24 MS. FIX MEYER: Objection to form.</p>	<p style="text-align: right;">Page 144</p> <p>1 telling you the truth. I mean, you got to take</p> <p>2 care of the patients. And so --</p> <p>3 BY MR. MOUGEY:</p> <p>4 Q. The question I asked you was simple.</p> <p>5 Does the store have the ability to go to</p> <p>6 another vendor and order controlled substances</p> <p>7 after they hit the ceiling at Walgreens?</p> <p>8 MR. HOUTZ: Next time please let her finish</p> <p>9 her answer before you interrupt.</p> <p>10 MR. MOUGEY: The next time I'd like to have an</p> <p>11 answer to the question that I asked.</p> <p>12 BY MR. MOUGEY:</p> <p>13 Q. The vendors --</p> <p>14 MR. HOUTZ: If you allow her to finish your</p> <p>15 answer, you may get an answer.</p> <p>16 BY MR. MOUGEY:</p> <p>17 Q. The vendors -- I'm sorry.</p> <p>18 The pharmacies are allowed to order</p> <p>19 additional controlled substance, highly addictive,</p> <p>20 like OxyContin that we talked about earlier, once</p> <p>21 they hit the ceiling, that store can go to Cardinal</p> <p>22 and order additional oxycodone, correct?</p> <p>23 MS. FIX MEYER: Objection; form, foundation.</p> <p>24 MR. HOUTZ: Same objection.</p>
<p style="text-align: right;">Page 143</p> <p>1 BY MR. MOUGEY:</p> <p>2 Q. So, Walgreens' system, if a store</p> <p>3 exceeded the ceiling, they were told no more</p> <p>4 Schedule II or Schedule III controlled substances</p> <p>5 from us, correct, Walgreens?</p> <p>6 A. They didn't know. So --</p> <p>7 Q. They knew they couldn't order any more,</p> <p>8 correct?</p> <p>9 A. They wouldn't know because -- they</p> <p>10 wouldn't know until the order was due to show up.</p> <p>11 Q. And it didn't show up and they knew they</p> <p>12 didn't get it, correct?</p> <p>13 A. Right, but they didn't know why.</p> <p>14 Q. So, they knew they didn't get the order</p> <p>15 from Walgreens, correct?</p> <p>16 A. Correct.</p> <p>17 Q. And they didn't know why, but they</p> <p>18 didn't get it from Walgreens but then Walgreens</p> <p>19 allowed up until a period in time for that store to</p> <p>20 put it in an order from another vendor, correct?</p> <p>21 MR. HOUTZ: Object to form and foundation.</p> <p>22 BY THE WITNESS:</p> <p>23 A. Walgreens -- any pharmacy has secondary</p> <p>24 wholesalers if the one wholesaler -- I'm just</p>	<p style="text-align: right;">Page 145</p> <p>1 BY MR. MOUGEY:</p> <p>2 Q. Yes or no.</p> <p>3 A. I'm not going to yes or no answer that.</p> <p>4 I'm going to tell you what happened.</p> <p>5 Q. No, I want to know if they have the</p> <p>6 ability. That's all I asked.</p> <p>7 A. Yes.</p> <p>8 Q. Do they have the ability to order --</p> <p>9 A. Yes.</p> <p>10 Q. -- more oxycodone from another vendor</p> <p>11 like Cardinal after Walgreens' ceiling has been</p> <p>12 hit?</p> <p>13 MS. FIX MEYER: Objection; form, foundation.</p> <p>14 BY THE WITNESS:</p> <p>15 A. On this date, yes.</p> <p>16 BY MR. MOUGEY:</p> <p>17 Q. Yes. Thank you.</p> <p>18 MR. MOUGEY: Les, if it's okay with you, it's</p> <p>19 a good stopping point for me for lunch.</p> <p>20 MR. HOUTZ: Sure.</p> <p>21 MR. MOUGEY: I am planning on using the seven</p> <p>22 hours today. So, I just want to give everybody a</p> <p>23 heads-up as we go through. I'm happy to take a</p> <p>24 shorter or longer lunch as you and Ms. Polster</p>

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1 would like with that.

2 MR. HOUTZ: Let's do the 45 minutes lunch.

3 MR. MOUGEY: 45? How much time have we used?

4 THE VIDEOGRAPHER: We have been on the record

5 for 2 hours and 32 minutes.

6 MR. MOUGEY: 2-1/2 hours. Thank you. We will

7 take a 45-minute lunch. So, it means, let's just

8 come back in at 1:00. How's that?

9 MR. HOUTZ: We'll back at 1:00.

10 MR. MOUGEY: Thank you.

11 THE VIDEOGRAPHER: We are off the record at

12 12:13 p.m.

13 (WHEREUPON, a recess was had

14 from 12:13 to 1:05 p.m.)

15 THE VIDEOGRAPHER: We are back on the record

16 at 1:05 p.m.

17 BY MR. MOUGEY:

18 Q. Ms. Polster, you're familiar with Edward

19 Bratton, correct?

20 A. Yes.

21 Q. And he's a member of your team, correct?

22 A. Yes.

23 Q. And he came on with Pharmaceutical

24 Integrity in the beginning of 2013, correct?

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1 A. Yes.

2 Q. And I think you mentioned that your

3 group was busy with its charge of working on issues

4 related to Walgreens as a distributor and a

5 pharmacy ensuring that it was in compliance with

6 federal regs and statutes, correct?

7 A. Yes.

8 Q. And the frequent meetings continued as

9 you brought new people on board like Mr. Bratton,

10 correct?

11 A. Yes.

12 Q. And Mr. Bratton was part of the process

13 of getting up to speed about what was necessary to

14 fill your group's mission, correct?

15 A. Yes.

16 Q. And just like all the members of your

17 group, you all had regular meetings covering the

18 topics that were necessary for you all to ensure

19 Walgreens was in compliance as a distributor,

20 correct?

21 A. Yes.

22 Q. And part of the topic of those meetings

23 was that you all looked at Walgreens' previous

24 system before your group was in place, correct?

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1 A. No, we focused on the system that we

2 were using at the time for suspicious order

3 monitoring.

4 Q. On Day 1, it didn't -- was there a

5 Day 1, when Pharmaceutical Integrity started?

6 A. Well, the task force was doing its work

7 and then my team started getting hired and brought

8 in and then they handed over the suspicious order

9 monitoring to my team once I had people in place.

10 Q. But the question I asked you was: You

11 all focused on the previous system. You said no,

12 we were using the system that was in place.

13 So, was there a clean line of on Monday

14 morning we began with our system and there was no

15 more previous system?

16 A. No, but there was tweaks along the

17 system. So, I need to understand which system you

18 were talking about, but --

19 Q. Actually I need to understand which

20 system you're talking about.

21 A. Okay.

22 Q. So, when you say there are tweaks, the

23 previous system, our system, I'm not quite

24 understanding. Okay?

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1 A. Okay.

2 Q. The basis for the system that

3 Pharmaceutical Integrity used was the algorithm

4 that Wayne Bancroft wrote, correct?

5 A. Yes.

6 Q. How about we'll call that the "Wayne

7 Bancroft algorithm"?

8 A. Okay.

9 Q. Okay. And that was the foundation of

10 the system from 2008 all the way until Walgreens

11 stopped distributing, correct?

12 MR. HOUTZ: Object to form.

13 BY THE WITNESS:

14 A. I don't know.

15 BY MR. MOUGEY:

16 Q. What part of that do you not know, from

17 the 2008 part?

18 A. Correct.

19 Q. So, how about from 2012 when you became

20 part of the controlled substance task force until

21 Walgreens stopped distributing, you're comfortable

22 that the Bancroft algorithm was the foundation?

23 A. Yes.

24 Q. And there were, I think in your words,

<p style="text-align: right;">Page 150</p> <p>1 tweaks to the Bancroft algorithm from the</p> <p>2 controlled substance task force until Walgreens</p> <p>3 stopped distributing. Is that fair?</p> <p>4 A. We're still using that system today, but</p> <p>5 yes.</p> <p>6 Q. Right. But you're not distributing</p> <p>7 today, correct?</p> <p>8 A. Correct.</p> <p>9 Q. So, that's why in my questions, so I</p> <p>10 didn't have the confusion and the objections from</p> <p>11 Mr. Les over there about continuing past the time</p> <p>12 you were no longer distributing.</p> <p>13 Walgreens stopped distributing late</p> <p>14 2014. Fair enough?</p> <p>15 A. Yes.</p> <p>16 Q. Okay. So, I'm talking about from when</p> <p>17 you joined the task force in September of 2012 to</p> <p>18 the point when Walgreens stopped distributing in</p> <p>19 late '14, the Bancroft algorithm was the</p> <p>20 foundation?</p> <p>21 A. Yes.</p> <p>22 Q. Is that fair?</p> <p>23 A. Yes.</p> <p>24 Q. Okay. And there were modifications or</p>	<p style="text-align: right;">Page 152</p> <p>1 does not have previous sales for that particular</p> <p>2 drug, the system would not order in quantities as</p> <p>3 readily as what they would need it.</p> <p>4 Q. Okay.</p> <p>5 A. So, for example, if a new manufacturer</p> <p>6 became our primary for a certain NDC number, if we</p> <p>7 didn't make a tweak in the system, none of the</p> <p>8 stores would have gotten more than one bottle even</p> <p>9 if they started dispensing it.</p> <p>10 So, we would have to make a tweak in the</p> <p>11 system in order to basically move the reordering</p> <p>12 from the old NDC number to the new NDC number.</p> <p>13 Q. Okay. Can I stop you there? Am I</p> <p>14 interrupting anything?</p> <p>15 A. Yeah.</p> <p>16 Q. So, what I'd like you to do is kind of</p> <p>17 give me a laundry list that you can remember about</p> <p>18 the modifications that were made.</p> <p>19 A. Sure.</p> <p>20 Q. Or the controls.</p> <p>21 A. Sure.</p> <p>22 Q. And then we'll drill down a little bit</p> <p>23 more specifically.</p> <p>24 So, what would you call what you just</p>
<p style="text-align: right;">Page 151</p> <p>1 tweaks made along the way, correct?</p> <p>2 A. Yes.</p> <p>3 Q. Now, so, when we were talking about what</p> <p>4 system's in place, the core is Mr. Bancroft's</p> <p>5 algorithm?</p> <p>6 A. Okay.</p> <p>7 Q. All right. So, was part of the mission</p> <p>8 of the controlled substance task force to look at</p> <p>9 the algorithm that was in place from Mr. Bancroft</p> <p>10 and add or tweak or modify?</p> <p>11 A. Not exactly in terms of looking at the</p> <p>12 algorithm.</p> <p>13 Q. That the algorithm itself wasn't</p> <p>14 changed, but there were kind of add-ons?</p> <p>15 A. Yes.</p> <p>16 Q. Some controls. Is that fair?</p> <p>17 A. Yes.</p> <p>18 Q. So, is one of those controls -- why</p> <p>19 don't you just walk me through what your</p> <p>20 understanding or your recollection of the controls</p> <p>21 were?</p> <p>22 A. So, the -- the system is designed to do</p> <p>23 a historical lookback by NDC number, and one of the</p> <p>24 controls that is put in place is that if the store</p>	<p style="text-align: right;">Page 153</p> <p>1 described? The new manufacturer, is that --</p> <p>2 A. Yeah, yeah. New manufacturer --</p> <p>3 Q. New manufacturer.</p> <p>4 A. -- was a tweak.</p> <p>5 Q. What was another tweak?</p> <p>6 A. Ensuring that every order went through</p> <p>7 the system first before a store could get a product</p> <p>8 regardless of where they were getting it from.</p> <p>9 Q. Okay. So, whether they got it from</p> <p>10 another vendor or interstore, it had to go through</p> <p>11 the algorithm?</p> <p>12 A. Correct.</p> <p>13 Q. So, what do you want to call that, that</p> <p>14 the algorithm reviewed all controlled substance</p> <p>15 orders?</p> <p>16 A. Yes.</p> <p>17 Q. Is that fair?</p> <p>18 A. Yep.</p> <p>19 Q. Okay. So, what other modifications?</p> <p>20 A. I don't remember. Those are -- those</p> <p>21 were the main ones that come to mind.</p> <p>22 Q. How about the modification about that --</p> <p>23 that was pre-you -- that an order that was flagged</p> <p>24 by the Bancroft algorithm was cut?</p>

<p style="text-align: right;">Page 154</p> <p>1 A. You mean not shipped?</p> <p>2 Q. Yes, ma'am.</p> <p>3 A. What about it?</p> <p>4 Q. That's pre-you, though, wasn't it?</p> <p>5 A. Yes.</p> <p>6 Q. Yes. When you got there, if an order</p> <p>7 was flagged by the Bancroft algorithm, it was -- is</p> <p>8 the word "cut"? Are you okay with that? Or what's</p> <p>9 the right terminology you'd use?</p> <p>10 A. It was not shipped at all.</p> <p>11 Q. Not shipped?</p> <p>12 A. Right.</p> <p>13 Q. But the store was allowed to order up to</p> <p>14 that threshold, correct? They had to enter a new</p> <p>15 order in?</p> <p>16 A. Yes.</p> <p>17 Q. So, it was not shipped, but then the</p> <p>18 store could reenter an order up to the ceiling</p> <p>19 level, correct?</p> <p>20 A. Yes, but the store didn't have</p> <p>21 visibility into that ceiling level.</p> <p>22 Q. I understand.</p> <p>23 A. Okay.</p> <p>24 Q. I understand that's your drumbeat.</p>	<p style="text-align: right;">Page 156</p> <p>1 made based on that new information.</p> <p>2 Q. So, as you learned more and as you got</p> <p>3 up to speed, there were a different -- there were</p> <p>4 additional controls that needed to be implemented?</p> <p>5 A. There were -- there were changes that</p> <p>6 needed to be made, yes.</p> <p>7 Q. All right. And it didn't all happen at</p> <p>8 once --</p> <p>9 A. Right.</p> <p>10 Q. -- is what you're saying. It was over a</p> <p>11 period of time?</p> <p>12 A. Right.</p> <p>13 Q. And when -- and I'm trying not to use --</p> <p>14 I'm trying to use the word you feel comfortable</p> <p>15 with. Is control, an additional control? What</p> <p>16 term would you use?</p> <p>17 You didn't like the modification to the</p> <p>18 algorithm. So, I'm trying to find a word you're</p> <p>19 comfortable with.</p> <p>20 A. Yeah, controls, that's fine.</p> <p>21 Q. Is control okay?</p> <p>22 A. Yeah.</p> <p>23 Q. That there were issues that your team</p> <p>24 was identifying along the way, they were trying to</p>
<p style="text-align: right;">Page 155</p> <p>1 A. Yeah.</p> <p>2 Q. But right now if the order wasn't</p> <p>3 shipped, they were allowed to ship up to that</p> <p>4 ceiling level, correct?</p> <p>5 A. Sure.</p> <p>6 Q. Okay. Now, your team knew that there</p> <p>7 were modifications that needed to be made to the</p> <p>8 Bancroft algorithm, correct?</p> <p>9 Actually, you corrected me before about</p> <p>10 the Bancroft. Let's use your language, whatever</p> <p>11 you feel comfortable with.</p> <p>12 So, rather than me saying changing the</p> <p>13 algorithm, how about your team was aware that there</p> <p>14 were -- that controls were needed to ensure that</p> <p>15 all orders were going through the Walgreens</p> <p>16 suspicious order monitoring system?</p> <p>17 MR. HOUTZ: Object to form.</p> <p>18 BY THE WITNESS:</p> <p>19 A. I don't agree when you say they were</p> <p>20 aware.</p> <p>21 BY MR. MOUGEY:</p> <p>22 Q. Okay.</p> <p>23 A. I think as time progressed, things would</p> <p>24 pop up and then we would ask for a change to be</p>	<p style="text-align: right;">Page 157</p> <p>1 find solutions and then implementing a control to</p> <p>2 kind of close --</p> <p>3 A. The goal was to have consistency on how</p> <p>4 the stores would order; and as things popped up</p> <p>5 that created confusion for patient care and was</p> <p>6 happening at store level, then we made adjustments</p> <p>7 along the way to, you know, decrease any type of</p> <p>8 confusion a store would have in getting a product.</p> <p>9 Q. Would you feel comfortable with the word</p> <p>10 that when Pharmaceutical Integrity started, that</p> <p>11 there were loopholes in the system that needed to</p> <p>12 be closed with additional controls to ensure</p> <p>13 compliance with Walgreens' duties as a distributor?</p> <p>14 A. Those -- I think there were gaps. I</p> <p>15 don't know about loopholes.</p> <p>16 Q. Let's use the word "gaps." I'm</p> <p>17 comfortable with "gaps."</p> <p>18 A. Okay.</p> <p>19 Q. So, there were gaps in Walgreens'</p> <p>20 policies and procedures with its distribution of</p> <p>21 controlled substances that your team was</p> <p>22 identifying and addressing throughout '13 and early</p> <p>23 '14?</p> <p>24 A. Yes.</p>

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1 Q. Now, would you agree that those gaps
 2 enabled some stores to have significant growth in
 3 shipments of Schedule II and Schedule III opiates
 4 without being flagged and stopped as part of
 5 Walgreens' system?
 6 A. No.
 7 Q. Let me hand you what we're going to mark
 8 as P-WAG-1988, Bates No. WAGMDL429440.
 9 And I apologize. I'm going to change.
 10 Shift gears. It's P-WAG-1146, WAGMDL21425.
 11 I will hand you what we will mark as
 12 Polster 8.
 13 (WHEREUPON, a certain document was
 14 marked as Walgreens-Polster Exhibit
 15 No. 8: 8/9/13 e-mail string;
 16 WAGMDL00021425 - 00021427.)
 17 BY MR. MOUGEY:
 18 Q. Mr. Bratton is a manager in
 19 Pharmaceutical Integrity, correct?
 20 A. Yes.
 21 Q. And has remained in Pharmaceutical
 22 Integrity for quite some time, correct?
 23 A. Yes.
 24 Q. And had an area of significant

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1 responsibility in Pharmaceutical Integrity,
 2 correct?
 3 A. Yes.
 4 Q. And was an important component of the
 5 Pharmaceutical Integrity team, correct?
 6 A. Yes.
 7 Q. And was part of the educational process
 8 from the beginning of Pharmaceutical Integrity
 9 throughout the summer of 2013, correct?
 10 A. Yes.
 11 Q. And this is -- what I put in front of
 12 you is an e-mail from Mr. Bratton dated August 19,
 13 2003 -- I'm sorry -- 2013.
 14 Do you see that?
 15 A. Yes.
 16 Q. And I'm at the very top of the e-mail in
 17 the second paragraph.
 18 And Mr. Bratton, when speaking with
 19 another Walgreens employee or exchanging e-mails,
 20 relayed to her that "The previous system would
 21 continue to send additional product to the store
 22 without limit or review which made possible the
 23 runaway growth of dispensing of products like
 24 oxycodone."

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1 Did I read that correctly?
 2 A. Yes.
 3 Q. And this was at the time that
 4 Mr. Bratton had been in your group for several
 5 months in Pharmaceutical Integrity, correct?
 6 A. Yes.
 7 Q. And he was managing an entire geographic
 8 region in Pharmaceutical Integrity, correct?
 9 A. Yes.
 10 Q. He was part of the process for reviewing
 11 suspicious orders, correct?
 12 A. Yes.
 13 Q. He was part of the process in looking at
 14 overrides, correct?
 15 A. Yes.
 16 Q. He was part of the process of
 17 identifying gaps and specific controls to fill
 18 those gaps, correct?
 19 A. Yes.
 20 Q. And based upon his work and what he
 21 relayed to Ms. Patel is that the lack of those
 22 controls allowed runaway growth for drugs like
 23 OxyContin. Do you see that?
 24 A. I see what he wrote, but I don't know

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1 what he meant.
 2 Q. Yes, ma'am. It's confusing, isn't it,
 3 where he says, "The previous system would continue
 4 to send additional product to the store without
 5 limit or review which made possible the runaway
 6 growth of dispensing of products like oxycodone."
 7 It's crystal clear what he meant, is it
 8 not?
 9 A. There were a lot of tweaks to the system
 10 and the system got changed many times. So, yeah,
 11 he is correct that the system was designed and
 12 built way back in the day to ensure that the store
 13 was able to get the product in that they needed to
 14 take care of their patients.
 15 Q. Yes, ma'am. And the lack of controls up
 16 and to when your group took over in '13 allowed for
 17 runaway growth of drugs like OxyContin, correct?
 18 A. I don't -- I don't agree with his --
 19 with his language there.
 20 Q. That was one of your managers in your
 21 group responsible for an entire geographic region,
 22 that was his assessment, correct?
 23 A. That was his words.
 24 Q. I hand you -- it's P-WAG-5140, Bates

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1 No. 77015 and Polster 9.
 2 (WHEREUPON, a certain document was
 3 marked as Walgreens-Polster Exhibit
 4 No. 9: 7/2/12 e-mail with
 5 attachment; WAGMDL00077015 -
 6 00077023.)
 7 BY MR. MOUGEY:
 8 Q. Now, this is an e-mail from Raymond
 9 Stukel, right? Did I pronounce that correct?
 10 A. Yeah.
 11 Q. And Mr. Stukel, as you just identified,
 12 was the gentleman that was in loss prevention and
 13 using the Tableau interface to review Walgreens'
 14 data, correct?
 15 A. Yes.
 16 Q. And the subject is "Discussion of
 17 ceiling limits."
 18 Do you see that?
 19 A. Yep.
 20 Q. And the ceiling limits are part of the
 21 Bancroft algorithm that was used in Pharmaceutical
 22 Integrity, correct?
 23 A. Yes.
 24 Q. That was just -- that was one of the

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1 lingos, ceiling limits and thresholds were two of
 2 the tests, correct?
 3 A. Yes.
 4 Q. And ceiling limits replaced the
 5 frequency?
 6 A. I think you're right there, but I'm not
 7 100% sure.
 8 Q. You're not sure. Pre-Tasha Polster?
 9 A. Right.
 10 Q. How does that sound?
 11 A. Yeah, that sounds great.
 12 Q. Okay. So, Mr. Stukel is sending out an
 13 e-mail to Mr. Merritello, Kristie Provost, Wayne
 14 Bancroft and Ferdinand Dungca.
 15 Do you see that?
 16 A. Yes.
 17 Q. And if you would turn to Bates No. 16,
 18 this appears to be an overview of the controlled
 19 substance order review web-based exception report,
 20 correct?
 21 A. That's what it appears. I have never
 22 seen this document before.
 23 Q. I understand. So, what I want to --
 24 what I want you to do is help me look at this

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1 document and see if this kind of comports with your
 2 understanding of the system that you inherited in
 3 Pharmaceutical Integrity. Okay?
 4 A. Okay.
 5 Q. All right. So, the date, as we just
 6 went through, is July 12th -- I'm sorry --
 7 July 2012.
 8 Do you see that?
 9 A. No.
 10 Q. Very first page in the e-mail. I'm
 11 sorry.
 12 A. Oh, sorry. Yeah. I was looking at
 13 June 22. Okay.
 14 Q. So, this is approximately 60 days before
 15 the controlled substance task force that you're a
 16 part of when you start attending the frequent
 17 meetings, correct?
 18 A. Yes.
 19 Q. And this is what I could find as kind of
 20 the last kind of culmination, right when you start,
 21 of what the system looked like. Okay?
 22 A. Okay.
 23 Q. So, what I want you to do is tell me
 24 yes, this kind of comports with my understanding or

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1 my recollection of the -- of the Bancroft algorithm
 2 and the controls in place when I inherited it. Is
 3 that -- is that fair?
 4 A. Sure.
 5 Q. Okay. So, underneath the first top of
 6 Bates No. 16, under "Ordering" do you see those
 7 kind of wheels or gears, A, B and C.
 8 Do you see that?
 9 A. Yes.
 10 Q. And then off on the side it's
 11 referencing phases and there is phase 3, phase 4
 12 and phase 5. Okay? Do you see that in the first
 13 box?
 14 A. Oh, yes, yes.
 15 Q. Okay. So, phase 3, it says "In QA,"
 16 which I would mean quality assurance?
 17 A. Yeah, testing.
 18 Q. Testing.
 19 "Phase 4: In design."
 20 And then you see in the upper right-hand
 21 side, "Phase 5: In design, ceilings trump step A
 22 below if/when necessary."
 23 And you recall that ceilings were
 24 ultimately put in place, correct?

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1 A. Yes.
2 Q. Okay. So, if you go to A, "Ongoing
3 Controlled Substance Order Review Logic includes
4 PSE."
5 Do you see that?
6 A. Yes.
7 Q. All right. And then B is "Manual Line
8 Limits for select drugs" and C is "Automated
9 Ceilings."
10 Did I get all that?
11 A. Yes.
12 Q. And off to the left it says, "Interim
13 solution until automated ceilings are deployed."
14 Correct?
15 A. I see that here.
16 Q. Now, when you took over in late '12,
17 early '13, were the automated solutions deployed?
18 MR. HOUTZ: Object on foundation.
19 BY THE WITNESS:
20 A. I don't know.
21 BY MR. MOUGEY:
22 Q. You don't know. Okay. So, the
23 right-hand side -- do you know what automated
24 ceilings are?

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1 A. No.
2 Q. Do you know what ceilings are?
3 A. Yes.
4 Q. What is your understanding of what a
5 ceiling is?
6 A. A ceiling is the amount of drug that a
7 store can have at a -- at a point in time.
8 Q. So, when it hits that point in time, and
9 you and I discussed this earlier, that order is
10 canceled and a pharmacy is allowed to enter an
11 order up to the ceiling limit, correct?
12 MR. HOUTZ: Object to form and foundation.
13 BY THE WITNESS:
14 A. You're making generalizations and you're
15 not really accurate. So, can I tell you how it
16 worked?
17 BY MR. MOUGEY:
18 Q. Go ahead. You educate me on how this
19 works.
20 A. All right. So, yes, if the store hit
21 the ceiling or maybe the store didn't hit the
22 ceiling and they tried to order above the ceiling,
23 the order never got shipped. But they wouldn't
24 know what the ceiling was.

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1 So, let's say they placed the order for
2 two bottles, but the ceiling was only one bottle.
3 Q. Okay.
4 A. So, if they placed an order for two
5 bottles or three bottles or whatever, they wouldn't
6 get it at all. If they placed it for one bottle,
7 in addition to what the order algorithm was already
8 ordering, then it would allow them to get it as
9 long as they weren't above the ceiling.
10 Q. So, let's use your example. All right.
11 So, the -- I think your example said the
12 ceiling was one bottle, right?
13 A. Allowed them to get it, yes.
14 Q. Okay. But they ordered -- there was an
15 order entered for three bottles.
16 A. Okay.
17 Q. So then what happens? You tell me.
18 A. They don't get an order at all.
19 Q. No order?
20 A. Right.
21 Q. Not one, not two, not three. Zero?
22 A. Correct.
23 Q. Okay. So, how does the store become
24 alerted that they're not going to get anything?

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1 A. Well, that was a gap that we had to
2 close to better communicate so that if they had a
3 patient waiting, that they weren't telling the
4 patient, "Please come back tomorrow, Mrs. Jones,
5 I'll have your prescription ready for you,"
6 Mrs. Jones shows up and they didn't get the product
7 because they were over their ceiling.
8 So, we had to train the stores not to
9 order. We had to train the stores, leave your
10 orders alone. Let the orders generate by
11 themselves based on the algorithm and if you feel
12 that you need more, fill out the controlled
13 substance override form so that we can look at it,
14 make sure we have proper documentation as to the
15 reason why you need it, and then we will place the
16 order for you.
17 Q. Okay. So, if there was -- they only had
18 one bottle left before they hit the ceiling and
19 they ordered three, was the store allowed to order
20 one bottle without the override form?
21 A. They didn't know what they were allowed
22 to order. So, we had to -- we had to give them a
23 tool to help them, but that was much later in the
24 process. At that point in time they didn't know.

<p style="text-align: right;">Page 170</p> <p>1 They just got nothing.</p> <p>2 Q. Okay. So, how would the store know that</p> <p>3 they could order one more bottle?</p> <p>4 A. They couldn't. That was the problem.</p> <p>5 Q. So, when you fixed it, how did the</p> <p>6 store?</p> <p>7 A. Oh. We have a ceiling tool and they</p> <p>8 have to go into the tool. It tells them how many</p> <p>9 bottles that they can order until they hit the</p> <p>10 ceiling.</p> <p>11 Q. Okay.</p> <p>12 A. And if they need more, then they have to</p> <p>13 fill out the controlled substance override form.</p> <p>14 Q. So, the override form wasn't necessary</p> <p>15 until they went over the ceiling. They asked to go</p> <p>16 over the ceiling?</p> <p>17 A. Correct.</p> <p>18 Q. Okay. So, but when did the gap -- when</p> <p>19 was the gap fixed that the store would know how</p> <p>20 many bottles, in your example, it had left before</p> <p>21 it hit the ceiling?</p> <p>22 A. I don't remember the exact date that the</p> <p>23 tool --</p> <p>24 Q. Give me a ballpark.</p>	<p style="text-align: right;">Page 172</p> <p>1 "Reduce order quantity for subset of flagged</p> <p>2 orders," right?</p> <p>3 A. Right.</p> <p>4 Q. So, when you said earlier "I didn't</p> <p>5 understand it," maybe I'm not the only one, right?</p> <p>6 I mean, it says here that "Reduce order quantity</p> <p>7 for subset of flagged orders," right?</p> <p>8 A. That's what it says, but I don't know</p> <p>9 what -- what that means because when I took over</p> <p>10 the system, we were not reducing orders. If</p> <p>11 they -- if the store tried to order outside of the</p> <p>12 system, the order got cut.</p> <p>13 Q. All right. Let me make sure you and I,</p> <p>14 the lingo, we're saying the same thing because I'm</p> <p>15 a little confused when you say "outside the</p> <p>16 system." What do you mean by that?</p> <p>17 A. If they tried to order above their</p> <p>18 ceiling --</p> <p>19 Q. Yes.</p> <p>20 A. -- the order got cut.</p> <p>21 Q. The whole order?</p> <p>22 A. That's right.</p> <p>23 Q. And the process that you and I just</p> <p>24 talked about where they would use the override tool</p>
<p style="text-align: right;">Page 171</p> <p>1 A. It was either -- man, I'm guessing. I</p> <p>2 don't know. It was late 2013, early 2014.</p> <p>3 Q. Okay. That's -- can't have been too</p> <p>4 large a period of time. Pharmaceutical Integrity</p> <p>5 really got off the ground in the beginning of '13</p> <p>6 and was out of the distribution business by --</p> <p>7 A. Right.</p> <p>8 Q. -- late '14, right?</p> <p>9 A. Right.</p> <p>10 Q. So, if you would, turn to the next page,</p> <p>11 Bates No. 17, titled "Ongoing Controlled Drug Order</p> <p>12 Review Logic."</p> <p>13 It has three boxes across the top,</p> <p>14 "Review all Controlled Drug and PSE orders," "Flag</p> <p>15 select orders as suspicious," "Reduce order</p> <p>16 quantity for subset of flagged orders." Okay.</p> <p>17 Do you understand those three boxes? Do</p> <p>18 you understand what's being referenced?</p> <p>19 A. Give me just a second.</p> <p>20 Q. Of course.</p> <p>21 A. I -- I see the words on the page, but</p> <p>22 when I took over the system, we weren't reducing</p> <p>23 order quantities.</p> <p>24 Q. You are referring to the third box,</p>	<p style="text-align: right;">Page 173</p> <p>1 would let them know what they could order up to the</p> <p>2 ceiling, but that was later into '13, early '14?</p> <p>3 A. Right.</p> <p>4 Q. Okay. By the time you got in, there was</p> <p>5 no reducing order quantity for subset of flagged</p> <p>6 orders, correct?</p> <p>7 A. Right.</p> <p>8 Q. Okay. So, let's go back to your</p> <p>9 understanding. We're talking about the Bancroft</p> <p>10 algorithm.</p> <p>11 A. Okay.</p> <p>12 Q. If an order came in, stick with your</p> <p>13 example, with three bottles that are over the</p> <p>14 ceiling, was that order flagged as suspicious?</p> <p>15 A. When I came in, no. If it ordered</p> <p>16 above -- if they were trying to order above their</p> <p>17 ceiling, they would just not get it.</p> <p>18 Q. Okay. So, that order, because it was</p> <p>19 not shipped, Walgreens considered that order not</p> <p>20 suspicious?</p> <p>21 MR. HOUTZ: Object on foundation and form.</p> <p>22 BY THE WITNESS:</p> <p>23 A. No, they were ordering outside of what</p> <p>24 our policy was and therefore we didn't ship it.</p>

<p style="text-align: right;">Page 174</p> <p>1 BY MR. MOUGEY:</p> <p>2 Q. Okay.</p> <p>3 A. Whether it was suspicious or not did not</p> <p>4 even come into play because we had an algorithm and</p> <p>5 we told them that they weren't supposed to go over</p> <p>6 it and if they needed to go over it, they had to</p> <p>7 supply the necessary information so that we could</p> <p>8 have the documentation we needed.</p> <p>9 Q. Let's make -- let's go back to what the</p> <p>10 overarching rules and regulations are from the</p> <p>11 Federal Government and what your understanding is.</p> <p>12 Okay.</p> <p>13 Do you have an understanding that an</p> <p>14 order that is flagged as suspicious by Walgreens</p> <p>15 has to be reported to the DEA?</p> <p>16 MR. HOUTZ: Object to form.</p> <p>17 BY THE WITNESS:</p> <p>18 A. That's not the regulation. It's if an</p> <p>19 order is flagged, you have to investigate it and</p> <p>20 then if you deem it suspicious, then you report it.</p> <p>21 BY MR. MOUGEY:</p> <p>22 Q. Okay. So, you don't think that an order</p> <p>23 flagged as part of the Wayne Bancroft algorithm is</p> <p>24 suspicious?</p>	<p style="text-align: right;">Page 176</p> <p>1 in? Those are popping up all over the place. Was</p> <p>2 there a surgical center that just opened by your</p> <p>3 pharmacy? Why do you need more product than what</p> <p>4 the system is generating for you? Tell us why.</p> <p>5 We don't know. We don't know what's</p> <p>6 going on in that specific area. We have to leave</p> <p>7 it to the leader of the store and the leader of the</p> <p>8 district, and that's why it goes through those</p> <p>9 layers of approval before it comes to my team.</p> <p>10 Q. Okay. I didn't want to interrupt you,</p> <p>11 but you just gave about a three-paragraph answer</p> <p>12 and the simple question I asked you was: What do</p> <p>13 you call an order flagged by the Wayne Bancroft</p> <p>14 algorithm?</p> <p>15 A. I call it an order that was over the</p> <p>16 algorithm that was designed for that specific store</p> <p>17 and it didn't conform to the -- what we thought the</p> <p>18 store needed. It's not a simple answer.</p> <p>19 Q. So, if -- let's go back to the rules.</p> <p>20 Do you understand that an order that's</p> <p>21 flagged as suspicious needs to be reported to the</p> <p>22 DEA?</p> <p>23 MR. HOUTZ: Object to form.</p> <p>24 BY THE WITNESS:</p>
<p style="text-align: right;">Page 175</p> <p>1 A. No.</p> <p>2 Q. Okay. What do you call an order flagged</p> <p>3 by the Wayne Bancroft algorithm?</p> <p>4 A. It was designed so that we could ensure</p> <p>5 that the number of tablets or whatever that goes</p> <p>6 into any one store makes sense for the peer group</p> <p>7 and the business of that store.</p> <p>8 I never felt like any pharmacy manager</p> <p>9 or pharmacist was doing anything nefarious to get</p> <p>10 more product into the store. What I -- the whole</p> <p>11 point behind it was to have simplicity.</p> <p>12 When you have that many locations,</p> <p>13 you've got to figure out how are you going to train</p> <p>14 all these 26,000 pharmacists in order to use a</p> <p>15 system to get products in.</p> <p>16 So, it wasn't necessarily considered</p> <p>17 suspicious or even an order of interest, to be</p> <p>18 honest with you. It was, hey, you're trying to</p> <p>19 order above what we think your store needs. You</p> <p>20 have to explain to us why our algorithm doesn't</p> <p>21 make sense for the business of your location.</p> <p>22 What's going on in your location that makes it</p> <p>23 different? Was there a new hospice doctor that</p> <p>24 moved in? Was there a new urgent care that moved</p>	<p style="text-align: right;">Page 177</p> <p>1 A. An order that's flagged has to be</p> <p>2 determined whether or not it's suspicious, but then</p> <p>3 the answer to your question is yes.</p> <p>4 BY MR. MOUGEY:</p> <p>5 Q. Yes. Okay.</p> <p>6 A. But you have to investigate it first.</p> <p>7 Q. I understand. But I didn't ask you</p> <p>8 anything about investigating or your steps. All I</p> <p>9 simply asked you was: Is an order that's deemed to</p> <p>10 be suspicious, does that have to be reported to the</p> <p>11 DEA, and the simple answer is yes, right?</p> <p>12 MR. HOUTZ: That wasn't your question.</p> <p>13 BY MR. MOUGEY:</p> <p>14 Q. Yes. Simple answer is yes, correct?</p> <p>15 A. An order that's deemed suspicious has to</p> <p>16 be reported to the DEA.</p> <p>17 Q. Fair enough. Now, do you agree that an</p> <p>18 order that's deemed suspicious and then sent to the</p> <p>19 DEA cannot be shipped until Walgreens performs due</p> <p>20 diligence on that order?</p> <p>21 A. No, that's not correct.</p> <p>22 Q. Okay.</p> <p>23 A. If the -- if the order -- if we reported</p> <p>24 to the DEA that the order was deemed suspicious,</p>

<p style="text-align: right;">Page 178</p> <p>1 then you can't ship it at all and it has to be 2 reported. 3 Q. So, if you deem an order suspicious, 4 when you say "you," Pharmaceutical Integrity deems 5 an order suspicious, you don't ship it at all? 6 A. Right. 7 Q. So, is it fair to say that you don't 8 perform any due diligence, then, on those orders 9 deemed suspicious? 10 MR. HOUTZ: Object to form. 11 BY MR. MOUGEY: 12 Q. You just don't ship? 13 MR. HOUTZ: Object to form and foundation. 14 BY THE WITNESS: 15 A. I don't know what you mean. You're 16 generalizing things and this is so complicated. 17 So, if you want me to go through the -- how 18 everything is done, I am happy to do that. But the 19 way you're answering -- asking the question is not 20 necessarily yes or no. 21 BY MR. MOUGEY: 22 Q. And I appreciate that, and I will work 23 on my questioning and maybe some day I'll get 24 better at it. But right now I'm stuck with just</p>	<p style="text-align: right;">Page 180</p> <p>1 decided to change the definition in order to not 2 call an order suspicious, you'd agree that that 3 does not fill Walgreens' obligations as a 4 distributor? 5 MR. HOUTZ: Object to form and foundation. 6 BY THE WITNESS: 7 A. I don't agree with what you're saying or 8 asking. 9 BY MR. MOUGEY: 10 Q. Have you seen any internal documents at 11 Walgreens that identify an order flagged by 12 Mr. Bancroft's algorithm as suspicious? 13 A. Not that I recall off the top of my 14 head. 15 Q. I will hand you what we will mark as 16 Polster 10. 17 (WHEREUPON, a certain document was 18 marked as Walgreens-Polster Exhibit 19 No. 10: 6/23/08 memo; 20 WAGMDL00624503 - 00624509.) 21 BY MR. MOUGEY: 22 Q. You see this is a memorandum dated 23 June 23, 2008, "DEA Suspicious Order Reporting" 24 from Wayne Bancroft and Tracy Morris.</p>
<p style="text-align: right;">Page 179</p> <p>1 bad questions from maybe a bad lawyer. Okay. 2 So, I mean, we've just identified one 3 example where the internal documents say something 4 60 days before you get there that you said was 5 wrong. So, I'm kind of left with Walgreens' 6 documents. All right. Let's go back to my... 7 You don't think that if an order is 8 flagged as suspicious that any amount of due 9 diligence can enable or allow that order to be 10 shipped? 11 MR. HOUTZ: Object to form. 12 BY THE WITNESS: 13 A. That's correct because if it's not a -- 14 if it's -- if you do your due diligence and you 15 determine it's not suspicious, then you ship. 16 BY MR. MOUGEY: 17 Q. So, the determination of whether an 18 order is suspicious is critical when Walgreens is 19 implementing its duty as a distributor, correct? 20 A. Sorry. Can you read that back faster? 21 Q. The question of whether an order or not 22 is suspicious is very important, correct? 23 A. Yes. 24 Q. And if Walgreens has parsed words or</p>	<p style="text-align: right;">Page 181</p> <p>1 Do you see that? 2 A. Yes. 3 Q. Do you know who Tracy Morris is? 4 A. No. 5 Q. But you know who Wayne Bancroft is, 6 correct? 7 A. Yes. 8 Q. And if you had questions about the 9 algorithm, he's one of the guys you brought in, 10 right? 11 A. Yes. 12 Q. And he is extremely knowledgeable about 13 what the algorithm is and how it's deployed, 14 correct? 15 A. Yes. 16 Q. And do you see the deliverable, 17 "Proposal for defining 'suspicious orders' in the 18 Walgreen distribution system"? 19 A. Yes. 20 Q. And the very first paragraph under 21 "Overview," "The DEA is requiring Walgreens to 22 monitor the orders, for control substances, that 23 our stores place on our distribution centers for 24 suspicious activity."</p>

<p style="text-align: right;">Page 182</p> <p>1 Do you see that?</p> <p>2 A. Yes.</p> <p>3 Q. The next sentence says, "The document</p> <p>4 proposes a methodology for identifying suspicious</p> <p>5 orders in terms of order size and order frequency.</p> <p>6 The reasoning behind the method is described.</p> <p>7 Followed by the steps needed to perform the</p> <p>8 analysis."</p> <p>9 Did I read that right?</p> <p>10 A. Yes.</p> <p>11 Q. The next paragraph, "To monitor the</p> <p>12 orders size, tolerance limits will be established</p> <p>13 for each store/item combination. If an order is</p> <p>14 placed on the DC that exceeds its tolerance limit,</p> <p>15 the order is flagged as suspicious."</p> <p>16 Do you see that?</p> <p>17 A. Yes.</p> <p>18 Q. So, according to Mr. Bancroft and his</p> <p>19 algorithm, if an order exceeds its tolerance</p> <p>20 limits, it's flagged as suspicious, correct?</p> <p>21 A. That's what it says here.</p> <p>22 Q. Do you agree with that?</p> <p>23 A. I don't know anything about this. I've</p> <p>24 never seen this document.</p>	<p style="text-align: right;">Page 184</p> <p>1 this was compared to what we had.</p> <p>2 What we had, we went with and we went</p> <p>3 from there; and then we made changes as we -- or</p> <p>4 asked for changes as we saw things that needed to</p> <p>5 come up.</p> <p>6 BY MR. MOUGEY:</p> <p>7 Q. And you don't know if this algorithm is</p> <p>8 the algorithm used in -- you have no idea?</p> <p>9 A. Correct.</p> <p>10 Q. So, previously when you testified that</p> <p>11 Mr. Bancroft's algorithm was the foundation for</p> <p>12 what your group was using, you weren't really sure?</p> <p>13 A. Foundation, yes. But how many versions</p> <p>14 between '08 and 2012, I couldn't tell you.</p> <p>15 Q. So, according to this version, orders</p> <p>16 that are flagged were deemed suspicious, correct?</p> <p>17 A. I see --</p> <p>18 MR. HOUTZ: Object to form.</p> <p>19 BY THE WITNESS:</p> <p>20 A. I see his language here.</p> <p>21 BY MR. MOUGEY:</p> <p>22 Q. So the answer to my question is yes, the</p> <p>23 orders flagged by the system by Mr. Bancroft's 2008</p> <p>24 memo are deemed suspicious, correct?</p>
<p style="text-align: right;">Page 183</p> <p>1 Q. I understand, but you were in charge of</p> <p>2 implementing Walgreens' policies and procedures for</p> <p>3 reporting suspicious orders with Mr. Bancroft's</p> <p>4 algorithm as the foundation, correct?</p> <p>5 A. In 2012. This was written in 2008.</p> <p>6 Q. I understand. What I'm asking you is:</p> <p>7 Do you see where Mr. Bancroft as part of the</p> <p>8 deliverable, if an order is placed on the DC that</p> <p>9 exceeds its tolerance limit, the order is flagged</p> <p>10 as suspicious. No one from Walgreens ever told you</p> <p>11 that?</p> <p>12 A. That's correct. No one -- we did not</p> <p>13 talk about this. This is four years after -- or</p> <p>14 before I even took over.</p> <p>15 Q. I understand. And it would have been</p> <p>16 helpful if someone from Walgreens as part of your</p> <p>17 education process when coming in in 2012 had told</p> <p>18 you that an order flagged by Mr. Bancroft's</p> <p>19 algorithm was considered suspicious, correct?</p> <p>20 MR. HOUTZ: Object to form.</p> <p>21 BY THE WITNESS:</p> <p>22 A. I don't agree with you. I mean, the</p> <p>23 system that we had in place that my team took over,</p> <p>24 there -- it was -- I don't even know what version</p>	<p style="text-align: right;">Page 185</p> <p>1 A. I see his document.</p> <p>2 Q. Yes, ma'am. And I'm asking you, reading</p> <p>3 the document that you understand that he, as part</p> <p>4 of part of his deliverable, that orders are flagged</p> <p>5 by the system are deemed suspicious, correct?</p> <p>6 MR. HOUTZ: Object on foundation and asked and</p> <p>7 answered.</p> <p>8 BY THE WITNESS:</p> <p>9 A. In my opinion there is a difference</p> <p>10 between "flagged" and "deemed."</p> <p>11 BY MR. MOUGEY:</p> <p>12 Q. "If an order is placed on the DC that</p> <p>13 exceeds its tolerance limit, the order is flagged</p> <p>14 as suspicious."</p> <p>15 Do you see that?</p> <p>16 A. Yes.</p> <p>17 Q. That's what his memo says, if an order</p> <p>18 is flagged, it's suspicious, correct? And that's</p> <p>19 different than the understanding you had in</p> <p>20 Pharmaceutical Integrity, correct?</p> <p>21 MR. HOUTZ: Object to form.</p> <p>22 BY THE WITNESS:</p> <p>23 A. I am not understanding what you're</p> <p>24 asking.</p>

<p style="text-align: right;">Page 186</p> <p>1 BY MR. MOUGEY:</p> <p>2 Q. An order that's flagged by</p> <p>3 Mr. Bancroft's algorithm in late 2012, early 2013</p> <p>4 is not deemed suspicious, correct?</p> <p>5 MR. HOUTZ: Object on foundation. Object;</p> <p>6 asked and answered.</p> <p>7 BY THE WITNESS:</p> <p>8 A. It is deemed as something we need to</p> <p>9 look at and look into and then we determine whether</p> <p>10 or not it's suspicious and going to be reported to</p> <p>11 the DEA.</p> <p>12 BY MR. MOUGEY:</p> <p>13 Q. The order isn't shipped, correct?</p> <p>14 In 2013, Tasha Polster, Pharmaceutical</p> <p>15 Integrity, if an order is flagged by Mr. Bancroft's</p> <p>16 algorithm, it's not shipped, correct?</p> <p>17 A. You're --</p> <p>18 Q. We just went through this.</p> <p>19 A. You're generalizing. You're putting</p> <p>20 words in my mouth. So, can I tell you how it</p> <p>21 worked?</p> <p>22 Q. An order -- you've already explained it.</p> <p>23 A. Okay.</p> <p>24 Q. The order that's flagged by</p>	<p style="text-align: right;">Page 188</p> <p>1 sorry to interrupt, but I don't think we got the</p> <p>2 WAG and Bates number for Exhibit 10. Would you</p> <p>3 mind reading that for the record, please.</p> <p>4 MR. MOUGEY: 624503.</p> <p>5 MR. WATTS: Thank you.</p> <p>6 BY MR. MOUGEY:</p> <p>7 Q. If you'd look at the last paragraph of</p> <p>8 Mr. Bancroft's memo in 2008, "In either case, if</p> <p>9 the order quantity does not exceed the SIMS</p> <p>10 suggested order quantity then the order should no</p> <p>11 longer be considered suspicious. If the order is</p> <p>12 identified as suspicious, a detailed report should</p> <p>13 be created to aid the analysis that has to make a</p> <p>14 quick decision to allow or stop the order."</p> <p>15 Did I read that correctly?</p> <p>16 A. Yes.</p> <p>17 Q. In Pharmaceutical Integrity, the order</p> <p>18 identified by Mr. Bancroft's algorithm just was</p> <p>19 simply not shipped, correct?</p> <p>20 A. That is correct.</p> <p>21 Q. There was no detailed analysis to make a</p> <p>22 decision to allow or stop the order as indicated in</p> <p>23 Mr. Bancroft's memorandum, correct?</p> <p>24 A. Ask the question one more time.</p>
<p style="text-align: right;">Page 187</p> <p>1 Mr. Bancroft's algorithm in 2013, Pharmaceutical</p> <p>2 Integrity, was not shipped, correct?</p> <p>3 MR. HOUTZ: Object to form.</p> <p>4 BY THE WITNESS:</p> <p>5 A. But it isn't even flagged. So, if the</p> <p>6 order went over what the algorithm was, it didn't</p> <p>7 even get shipped at all. It didn't even get</p> <p>8 flagged because it didn't generate. The order did</p> <p>9 not generate.</p> <p>10 BY MR. MOUGEY:</p> <p>11 Q. The order is identified by Bancroft's</p> <p>12 algorithm and it's not shipped, correct,</p> <p>13 Ms. Polster?</p> <p>14 A. Yes, correct.</p> <p>15 Q. The third paragraph, "To monitor orders</p> <p>16 frequency, the geometric distribution can be used</p> <p>17 to determine the probability," and gives the</p> <p>18 formula.</p> <p>19 He goes on in the last sentence of that</p> <p>20 paragraph, "If the next order is placed earlier</p> <p>21 than expected, the order is flagged as suspicious."</p> <p>22 Correct?</p> <p>23 A. Yes. I see he wrote that there.</p> <p>24 MR. WATTS: Counsel, this is Ryan Watts. I'm</p>	<p style="text-align: right;">Page 189</p> <p>1 Q. There's no detailed analysis in</p> <p>2 Pharmaceutical Integrity to make a decision to</p> <p>3 allow or stop the order as indicated in</p> <p>4 Mr. Bancroft's memorandum, correct?</p> <p>5 MR. HOUTZ: Object to form.</p> <p>6 BY MR. MOUGEY:</p> <p>7 Q. The order just simply isn't shipped?</p> <p>8 A. Right, yes.</p> <p>9 Q. Now, do you see on the "To" Mr. Piñon</p> <p>10 identified?</p> <p>11 A. Yes.</p> <p>12 Q. So, in your meetings with him, you don't</p> <p>13 ever recall Mr. Piñon advising you and your team</p> <p>14 that orders flagged by Mr. Bancroft's system were</p> <p>15 suspicious?</p> <p>16 MR. HOUTZ: You're calling for advice from an</p> <p>17 attorney. That's attorney-client privilege</p> <p>18 information. So, I'd instruct you not to answer</p> <p>19 what Dwayne Piñon told you or didn't tell you.</p> <p>20 MR. MOUGEY: You're instructing Ms. Polster</p> <p>21 not to answer about how she was educated about</p> <p>22 Walgreens' suspicious order monitoring policies and</p> <p>23 procedures?</p> <p>24 MR. HOUTZ: I'm instructing her not to answer</p>

<p style="text-align: right;">Page 190</p> <p>1 about advice she was given to legal questions by a 2 legal member of the staff of Walgreens, yes. 3 MR. MOUGEY: So, the fact that 100 percent of 4 her education on the distribution, Walgreens' 5 responsibilities came from a lawyer, I'm not 6 allowed to ask because Walgreens has attempted to 7 protect all that communication because it came from 8 a lawyer. 9 MR. HOUTZ: First of all, it's not 100 percent 10 and, correct, you may not ask. 11 MR. MOUGEY: It's abundantly clear that 12 Walgreens has taken the minutes, the agendas, the 13 e-mails, the communications, they are all buried on 14 some privilege log somewhere. We haven't seen any 15 of the documents Ms. Polster has referenced this 16 morning because an attorney is copied on the 17 communication. So -- 18 MR. HOUTZ: It's not obvious at all. Have you 19 received a privilege log? 20 MR. MOUGEY: Yeah, the 48,000 entries on the 21 privilege log. So, where are all the minutes? 22 Where are all the agendas from all of these 23 meetings? Every deposition we come into we hear a 24 witness talk about references to documents and</p>	<p style="text-align: right;">Page 192</p> <p>1 here. This is the first witness I haven't had in a 2 week that didn't start with a medical warning. 3 Today I get to start off and find out 4 there is minutes and agendas and meetings and 5 communications that we don't have either. 6 Impressive. 7 Exhibit 51 -- I'm sorry. P-WAG-5179, 8 Bates No. 119542, Polster 10. Polster 11. I'm 9 sorry. 10 (WHEREUPON, a certain document was 11 marked as Walgreens-Polster Exhibit 12 No. 11: 10/27/11 e-mail with 13 attachment; WAGMDL00119542 - 14 00119548.) 15 BY MR. MOUGEY: 16 Q. Now, do you know Barb Martin? 17 A. Yes. 18 Q. How do you know Barb Martin? 19 A. She used to be a pharmacist for me when 20 I worked in the field, and then she took a 21 corporate position in the pharmacy inventory team. 22 Q. Do you know what, if any, role 23 Ms. Martin had with Walgreens' suspicious order 24 monitoring policy and programs?</p>
<p style="text-align: right;">Page 191</p> <p>1 meetings and minutes and we don't see them in the 2 production. Everything has been scrubbed and 3 cleaned and the lawyers copied on all of it to 4 avoid production. 5 MR. HOUTZ: So you say. 6 MR. MOUGEY: Where are the agendas? Where are 7 the minutes from all these meetings? This task 8 force. 9 MR. HOUTZ: Don't ask me where the agendas 10 are. I don't know where the agendas are. 11 MR. MOUGEY: You don't know anything. There 12 is an order in place from ten days ago for you all 13 to identify the fields of the database that we have 14 gone through in all of the information and your 15 crack team of lawyers over the past ten days has 16 not given us one peep of information. 17 I'm sitting here continuing to take 18 depositions and no one has complied with Judge -- Special 19 Master Cohen's order about identifying the fields 20 and what the history was. 21 MR. HOUTZ: You are continuing to burn your 22 seven hours if you want to complain more. 23 MR. MOUGEY: Thank you, Les. I appreciate 24 that. You are continuing to waste my time sitting</p>	<p style="text-align: right;">Page 193</p> <p>1 A. I don't know. 2 Q. You don't know. Did you ever interview 3 or talk to her when you started Pharmaceutical 4 Integrity to find out what, if anything, her role 5 was? 6 A. Not in regards to suspicious order 7 monitoring. 8 Q. How about Marcella Ranick? 9 A. Marcie worked in loss prevention. 10 Q. Right. Do you have any understanding of 11 what her job or her role was in relation to 12 suspicious order monitoring policies? 13 A. No. 14 Q. This is a memo from Rakesh Khanna from 15 10/17/2011. Do you see that? 16 A. Yes. 17 Q. And the subject is "DEA Business Reason" 18 and the attachments are "DEA Presentation." 19 Do you see that? 20 A. Okay. 21 Q. If you turn, it appears to be a 22 couple-page memo regarding "DEA Intercepts 23 Suspicious Order." 24 Do you see that?</p>

<p style="text-align: right;">Page 194</p> <p>1 A. Yes.</p> <p>2 Q. And the overview references the</p> <p>3 Controlled Substance Act. You know what that is,</p> <p>4 right?</p> <p>5 A. Yes.</p> <p>6 Q. And how did you find out about what the</p> <p>7 requirements were for Walgreens under the</p> <p>8 Controlled Substance Act?</p> <p>9 A. Well, which requirements, for --</p> <p>10 Q. Thank you. Walgreens as a distributor.</p> <p>11 A. As a distributor. I found out about it</p> <p>12 during getting me up to speed in the task force</p> <p>13 meeting starting in September or whatever.</p> <p>14 Q. And who got you up to speed on the</p> <p>15 Controlled Substance Act as your job as director of</p> <p>16 Pharmaceutical Integrity so Walgreens could abide</p> <p>17 by its obligations under the Controlled Substance</p> <p>18 Act?</p> <p>19 A. It was in the task force, which had a</p> <p>20 whole bunch of people. So, there were lots of</p> <p>21 people talking. I don't remember exactly.</p> <p>22 Q. So, who had a command, who understood</p> <p>23 what Walgreens' responsibilities were under the</p> <p>24 Controlled Substance Act?</p>	<p style="text-align: right;">Page 196</p> <p>1 Act.</p> <p>2 A. So, any order of unusual size or unusual</p> <p>3 frequency needs to be investigated or not shipped.</p> <p>4 And if it's deemed suspicious, then you report it</p> <p>5 to the DEA.</p> <p>6 Q. So, the determination of when an order</p> <p>7 is deemed suspicious is the catalyst for when an</p> <p>8 order is relayed to the DEA as suspicious?</p> <p>9 A. Correct.</p> <p>10 Q. Do you have any understanding that</p> <p>11 Walgreens has changed its determination of when an</p> <p>12 order was considered as suspicious to avoid</p> <p>13 reporting to the DEA?</p> <p>14 A. No, we didn't -- we didn't do things to</p> <p>15 avoid reporting.</p> <p>16 Q. I'm on Bates No. 43.</p> <p>17 "The Controlled Substance Act is the</p> <p>18 primary federal law regulating the flow of</p> <p>19 controlled substances into the marketplace for</p> <p>20 medical purposes."</p> <p>21 Are you following me, first page?</p> <p>22 A. Sorry. I was looking at page 43 back</p> <p>23 here which -- all right. Say again. Which</p> <p>24 paragraph are you on?</p>
<p style="text-align: right;">Page 195</p> <p>1 MR. HOUTZ: Object on foundation.</p> <p>2 BY THE WITNESS:</p> <p>3 A. Lots of people. I don't know.</p> <p>4 BY MR. MOUGEY:</p> <p>5 Q. Lots of people?</p> <p>6 A. Right.</p> <p>7 Q. Name one. Name one.</p> <p>8 A. You're not going to like my answer.</p> <p>9 Dwayne.</p> <p>10 Q. Mr. Piñon is the one that had the</p> <p>11 understanding of what the obligations were for</p> <p>12 Walgreens under the Controlled Substance Act?</p> <p>13 A. Dwayne honestly helped me translate some</p> <p>14 of these documents. Some of these legal jargon</p> <p>15 documents are not the easiest to understand.</p> <p>16 Q. We're not talking about legal jargon</p> <p>17 documents. What I'm talking is understanding what</p> <p>18 Walgreens' duties and obligations were under the</p> <p>19 Controlled Substance Act, and your understanding</p> <p>20 came from Mr. Piñon, correct?</p> <p>21 A. Yes.</p> <p>22 Q. So, again, please explain to me what</p> <p>23 your understanding is of Walgreens' duties and</p> <p>24 responsibilities under the Controlled Substance</p>	<p style="text-align: right;">Page 197</p> <p>1 Q. The first sentence. Go ahead and read</p> <p>2 it to yourself.</p> <p>3 A. And what did you want to know about it?</p> <p>4 Q. Keep going. I am on the sentence that</p> <p>5 begins with "The DEA."</p> <p>6 Do you see it on the right-hand side?</p> <p>7 "The DEA is requiring that Walgreens</p> <p>8 monitor orders for controlled substances that are</p> <p>9 placed at the stores and sent to our DCs for</p> <p>10 filling."</p> <p>11 Do you see that?</p> <p>12 A. Yep.</p> <p>13 Q. "Such drugs are to be monitored for</p> <p>14 suspicious activity."</p> <p>15 Do you agree with that?</p> <p>16 A. I agree with that's what that -- I agree</p> <p>17 with that is what is written, but I don't know who</p> <p>18 this guy is. So, he might be making</p> <p>19 generalizations.</p> <p>20 Q. He's making generalizations, too.</p> <p>21 So, what I'm asking you is: Do you</p> <p>22 understand what his sentence that "The DEA is</p> <p>23 requiring that Walgreen monitor orders for</p> <p>24 controlled substances that are placed at the stores</p>

<p>Page 198</p> <p>1 and sent to our DCs for filling"? 2 A. Yes, I agree with that. 3 Q. "Such drugs are to be monitored for 4 suspicious activity." 5 Do you agree with that? 6 A. I agree that's what was written. 7 Q. I understand. But do you agree with 8 that statement? 9 A. Not necessarily. 10 Q. What do you not agree with? 11 A. Any controlled substance could be -- 12 falls into this place. 13 So, "Such drugs are to be monitored for 14 suspicious activity," what drugs is he talking 15 about? All controlled substances? I mean... 16 Q. It's confusing to you? 17 A. The way he's got it worded, yes. And I 18 don't know who this guy is. 19 Q. I understand. You've already said that. 20 MR. HOUTZ: Hold on. We lost the transcript a 21 few minutes back. At least I lost the transcript. 22 Can we take a second to try to fix that. 23 (Clarification by the reporter.) 24 THE VIDEOGRAPHER: We'll go -- we're off the</p> <p>Page 199</p> <p>1 record at 1:58 p.m. 2 (WHEREUPON, a recess was had 3 from 1:58 to 2:13 p.m.) 4 THE VIDEOGRAPHER: We are back on the record 5 at 2:13 p.m. 6 BY MR. MOUGEY: 7 Q. Ms. Polster, we are on Exhibit 12, Bates 8 No. -- I'm sorry -- 11, Bates No. 543. I'd like to 9 direct your attention to the second paragraph. 10 "The purpose of this project is to 11 create a process to systematically identify and 12 prevent suspicious orders based on a formula used 13 to determine inconsistent (suspicious) ordering 14 patterns for controlled drugs." 15 Do you see that? 16 A. Yes. 17 Q. The next sentence begins, "Any Control 18 Drug Orders that are deemed suspicious will be 19 flagged as suspicious and populated in a file to be 20 sent up centrally to loss prevention and 21 prescription services for review/analysis." 22 What I'd like you to do is focus on that 23 second sentence. 24 Do you believe that the policy and</p>	<p>Page 200</p> <p>1 procedure used in Pharmaceutical Integrity was 2 considering orders that were identified in the 3 Bancroft algorithm as suspicious? 4 MR. HOUTZ: Object to form. 5 BY THE WITNESS: 6 A. I don't know if I know enough about what 7 this was versus what -- I don't know the 8 differences between the system that I took over and 9 this. 10 BY MR. MOUGEY: 11 Q. It's not the question I asked. 12 A. I misunderstood, then. 13 Q. The question I simply asked you was that 14 orders that are identified in Mr. Bancroft's 15 algorithm in Pharmaceutical Integrity, are they 16 flagged as suspicious? 17 MR. HOUTZ: Object to form. 18 BY THE WITNESS: 19 A. My understanding is they're flagged as 20 orders of interest. 21 BY MR. MOUGEY: 22 Q. So, the answer to my question would be 23 no, they're not flagged as suspicious, correct? 24 A. No. Yes, you're correct. I'm sorry.</p> <p>Page 201</p> <p>1 Q. Orders of interest are not reported to 2 the DEA, correct? 3 A. Correct. 4 Q. Now, in these -- in the sentence that we 5 just read, in this memo, now we're into 2011, 6 orders identified by the Bancroft formula are 7 referred to as suspicious, correct? 8 A. It's referred to as that in this 9 document, yes. 10 Q. Yes, ma'am. And I don't see any 11 reference to "orders of interest." Do you? 12 A. No. 13 Q. Instead, the next sentence goes on and 14 says that "The order that is flagged as suspicious 15 on the store side will be intercepted and the order 16 quantity will be reduced to a non-suspicious (order 17 limit) level." 18 Do you see that? 19 A. Yes. 20 Q. But sitting here today, you don't have 21 any information or know whether or not the order 22 that was flagged as suspicious but intercepted and 23 the quantity reduced was reported to the DEA, 24 correct?</p>
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<p style="text-align: right;">Page 202</p> <p>1 A. Correct.</p> <p>2 Q. Do you believe based on your</p> <p>3 understanding of the requirements of the Controlled</p> <p>4 Substance Act as director of pharmaceutical that an</p> <p>5 order that's flagged as suspicious be reported to</p> <p>6 the DEA even if it's reduced?</p> <p>7 MR. HOUTZ: Object to form.</p> <p>8 BY THE WITNESS:</p> <p>9 A. My understanding and what my team does</p> <p>10 is we do not report to the DEA or we did not report</p> <p>11 to the DEA unless we did our due diligence and</p> <p>12 determined that it was suspicious.</p> <p>13 BY MR. MOUGEY:</p> <p>14 Q. But the sentence that we just read in</p> <p>15 this memorandum in 2011 says that an order is</p> <p>16 flagged as suspicious as a result of the Bancroft</p> <p>17 algorithm and then it's reduced.</p> <p>18 Do you believe the fact that the order</p> <p>19 that was initially flagged as suspicious needs to</p> <p>20 be reported to the DEA?</p> <p>21 MR. HOUTZ: Object to form, foundation.</p> <p>22 BY THE WITNESS:</p> <p>23 A. I don't know.</p> <p>24 BY MR. MOUGEY:</p>	<p style="text-align: right;">Page 204</p> <p>1 2011 were identified as suspicious, correct?</p> <p>2 MR. HOUTZ: Object to form and foundation and</p> <p>3 asked and answered.</p> <p>4 BY THE WITNESS:</p> <p>5 A. They were identified as going outside of</p> <p>6 the limits and therefore not generated. That's</p> <p>7 what I'm reading.</p> <p>8 BY MR. MOUGEY:</p> <p>9 Q. "Any Control Drug Orders that are deemed</p> <p>10 suspicious will be flagged as suspicious."</p> <p>11 Do you see that?</p> <p>12 A. Yes.</p> <p>13 Q. And those were orders that were</p> <p>14 identified by the Bancroft algorithm, correct?</p> <p>15 A. Yes.</p> <p>16 Q. No one's ever showed you this memorandum</p> <p>17 or anything similar where orders identified by the</p> <p>18 Wayne Bancroft algorithm were determined or</p> <p>19 identified as suspicious, correct?</p> <p>20 A. Correct.</p> <p>21 MR. HOUTZ: Object to form.</p> <p>22 BY MR. MOUGEY:</p> <p>23 Q. I hand you what we will mark as Polster</p> <p>24 12.</p>
<p style="text-align: right;">Page 203</p> <p>1 Q. But you'd agree with me that the</p> <p>2 language that we are reading from this 2011</p> <p>3 e-mail -- memorandum that you've never been shown</p> <p>4 that it appears that Walgreens was -- were treating</p> <p>5 orders that were identified by the Bancroft formula</p> <p>6 as suspicious as late as 2011, correct?</p> <p>7 MR. HOUTZ: Object to form and foundation.</p> <p>8 BY THE WITNESS:</p> <p>9 A. I don't know how this worked.</p> <p>10 MR. MOUGEY: I'm sorry.</p> <p>11 (WHEREUPON, there was a short</p> <p>12 interruption.)</p> <p>13 THE VIDEOGRAPHER: We are off the record at</p> <p>14 2:18 p.m.</p> <p>15 (WHEREUPON, discussion was had off</p> <p>16 the record.)</p> <p>17 THE VIDEOGRAPHER: We are back on the record</p> <p>18 at 2:19 p.m.</p> <p>19 BY MR. MOUGEY:</p> <p>20 Q. And I'm not asking you, Ms. Polster, how</p> <p>21 the whole system worked. I'm not asking you --</p> <p>22 what I'm asking you is: From the plain language of</p> <p>23 this memo, the orders that were identified or</p> <p>24 flagged by the Wayne Bancroft algorithm as late as</p>	<p style="text-align: right;">Page 205</p> <p>1 (WHEREUPON, a certain document was</p> <p>2 marked as Walgreens-Polster Exhibit</p> <p>3 No. 12: 4/27/12 e-mail with</p> <p>4 attachment; WAGMDL00119539 -</p> <p>5 00119541.)</p> <p>6 BY MR. MOUGEY:</p> <p>7 Q. Do you see this is an e-mail generated</p> <p>8 by Wayne Bancroft, the gentleman that wrote the</p> <p>9 algorithm, correct?</p> <p>10 A. Yes.</p> <p>11 Q. And it's dated 4/27/2012. Correct?</p> <p>12 A. Yes.</p> <p>13 Q. So, this is a matter of four and a half</p> <p>14 months, five months before you were part of the</p> <p>15 controlled substance task force at Walgreens,</p> <p>16 correct?</p> <p>17 A. Yes.</p> <p>18 Q. This is within eight or nine months of</p> <p>19 you becoming director of Pharmaceutical Integrity,</p> <p>20 correct?</p> <p>21 A. Yes.</p> <p>22 Q. And if you turn the page, it's Bates</p> <p>23 No. 119540, it's titled "DEA Suspicious Store</p> <p>24 Ordering Application Proposed Enhancement."</p>

<p style="text-align: right;">Page 206</p> <p>1 Do you see that?</p> <p>2 A. Yes.</p> <p>3 Q. And the first sentence of this memo,</p> <p>4 "The DEA Suspicious Store Ordering application was</p> <p>5 developed based on DEA requirements for our DCs,"</p> <p>6 distribution centers, "to monitor for suspicious</p> <p>7 orders of control substances."</p> <p>8 Did I read that right?</p> <p>9 A. Yes.</p> <p>10 Q. The second sentence, "To monitor for</p> <p>11 order size, tolerance limits are established by</p> <p>12 store/item," correct?</p> <p>13 A. Yes.</p> <p>14 Q. And the tolerance limits, that's</p> <p>15 language similar to what you were using in</p> <p>16 Pharmaceutical Integrity, correct?</p> <p>17 A. Yes.</p> <p>18 Q. Along with the ceiling limits, correct?</p> <p>19 A. Correct.</p> <p>20 Q. Along with the Bancroft algorithm as</p> <p>21 kind of the foundation for what your group was</p> <p>22 doing, correct?</p> <p>23 A. Yes.</p> <p>24 Q. The second -- the last sentence in the</p>	<p style="text-align: right;">Page 208</p> <p>1 deviation."</p> <p>2 Now, he continues on the next page,</p> <p>3 "Comparing the average order size across time."</p> <p>4 Do you see the paragraph below where he</p> <p>5 is referencing a DEA crackdown on Florida</p> <p>6 pharmacies?</p> <p>7 A. Oh, okay. Yes.</p> <p>8 Q. "Where the market is notorious for</p> <p>9 illicit prescription painkillers."</p> <p>10 Do you see that?</p> <p>11 A. Yes.</p> <p>12 Q. And he takes a block quote out of the</p> <p>13 Miami Herald indicating that Walgreen pharmacies</p> <p>14 now account for 53 of the top 100 retailers of</p> <p>15 oxycodone in the state, correct?</p> <p>16 A. Yes.</p> <p>17 Q. And he is citing to an affidavit filed</p> <p>18 by the DEA in court, correct?</p> <p>19 A. Yes.</p> <p>20 Q. And he goes on to explain "Three years</p> <p>21 ago, on Walgreens pharmacies were among the top 100</p> <p>22 sellers of the drug, 'One Walgreens pharmacy in</p> <p>23 Fort Myers now under investigation sold more than</p> <p>24 2.1 million oxycodone pills in 2011 - more than 22</p>
<p style="text-align: right;">Page 207</p> <p>1 first paragraph, "Orders placed on the distribution</p> <p>2 center that exceed its tolerance limits are flagged</p> <p>3 as suspicious."</p> <p>4 Do you see that?</p> <p>5 A. Yes.</p> <p>6 Q. Did anyone ever tell you that months</p> <p>7 before you took over as Pharmaceutical Integrity</p> <p>8 that orders placed on distribution centers that</p> <p>9 exceed tolerance limits are flagged as suspicious?</p> <p>10 A. Not that I recall.</p> <p>11 Q. Once Pharmaceutical Integrity started</p> <p>12 into 2013, orders that were flagged by</p> <p>13 Mr. Bancroft's algorithm were referred to as</p> <p>14 "orders of interest," correct?</p> <p>15 A. Yes.</p> <p>16 Q. Until a few months before you came in,</p> <p>17 do you see any reference from Mr. Bancroft about</p> <p>18 "orders of interest"?</p> <p>19 A. No.</p> <p>20 Q. Second paragraph, "This process allows</p> <p>21 for any single order to be compared to the last 26</p> <p>22 weeks of order history. A critical design element</p> <p>23 is that it removes outliers from the order history</p> <p>24 used to calculate the mean order size and standard</p>	<p style="text-align: right;">Page 209</p> <p>1 times the oxycodone sales at the same pharmacy two</p> <p>2 years earlier, the DEA said."</p> <p>3 Do you see that?</p> <p>4 A. Yes.</p> <p>5 Q. Now, would you consider 22 times what</p> <p>6 that pharmacy did two years earlier the same</p> <p>7 runaway growth that was referenced in a previous</p> <p>8 e-mail?</p> <p>9 MR. HOUTZ: Object on foundation.</p> <p>10 BY THE WITNESS:</p> <p>11 A. What was your question?</p> <p>12 BY MR. MOUGEY:</p> <p>13 Q. 22 times growth. Do you consider that</p> <p>14 to be runaway growth?</p> <p>15 A. Not necessarily. You have to understand</p> <p>16 what's happening in the market at that point in</p> <p>17 time.</p> <p>18 Q. Pardon me for one second.</p> <p>19 I missed a document. Maybe you can help</p> <p>20 with the name. The gentleman that wrote the e-mail</p> <p>21 with the runaway growth from your group.</p> <p>22 A. Ed Bratton.</p> <p>23 Q. Ed Bratton. Thank you.</p> <p>24 Mr. Bancroft's cite to the Miami Herald</p>

<p style="text-align: right;">Page 210</p> <p>1 and DEA affidavit that one of the Florida Walgreens 2 pharmacies sold 22 times pills from one year to the 3 next, is that the type of runaway growth that 4 Mr. Bratton was referring to? 5 MR. HOUTZ: Object to form, foundation. 6 BY THE WITNESS: 7 A. I don't agree with the way you're 8 wording the question. There is way more to the 9 story than just the number of tablets dispensed. 10 You have to understand what's happening in the 11 market. You have to understand what's happening in 12 the industry and why we were seeing these 13 prescriptions come into the stores. 14 BY MR. MOUGEY: 15 Q. So, as of 2012, April 2012, 16 Mr. Bancroft, the one who had written the 17 algorithm, was still referring to orders that were 18 identified as a result of his test as suspicious, 19 correct? 20 A. Yes, that's what he's got in the 21 document. 22 Q. So, we have now seen multiple documents 23 beginning in 2008 through 2009 through 2010 through 24 2011, all the way into months before you begin in</p>	<p style="text-align: right;">Page 212</p> <p>1 your group? 2 A. Yes. 3 Q. Again, a valued member, correct? 4 A. Yes. 5 Q. Knows what's -- knows the details of 6 what your group was doing, correct? 7 A. Yes. 8 Q. Went under the same educational process 9 as Mr. Bratton and the runaway growth, correct? 10 MR. HOUTZ: Object to form. 11 BY THE WITNESS: 12 A. She went under -- yeah, she was part of 13 the team. 14 BY MR. MOUGEY: 15 Q. So, August 9, 2017. Do you see the 16 date? 17 A. Yes. 18 Q. And she was responding to a question on 19 a one-pager on how the suspicious order monitoring 20 works in the system. 21 Do you see that? 22 A. Yes. 23 Q. And if you would, turn the page. 24 "Walgreens, DEA Suspicious Store</p>
<p style="text-align: right;">Page 211</p> <p>1 Pharmaceutical Integrity, where orders that are 2 identified by Mr. Bancroft's algorithm as 3 suspicious, correct? 4 A. That's what he has in the document. 5 Q. But no one ever told you as part of the 6 task force or the beginning of Pharmaceutical 7 Integrity that for the last few years, since 2008, 8 orders flagged in Mr. Bancroft's algorithm were 9 considered suspicious? 10 MR. HOUTZ: Object to form. 11 BY THE WITNESS: 12 A. That's correct. 13 BY MR. MOUGEY: 14 Q. I hand you what we will mark as Polster 15 13. 16 (WHEREUPON, a certain document was 17 marked as Walgreens-Polster Exhibit 18 No. 13: 8/9/17 e-mail string; 19 WAGMDL00006645 - 00006652.) 20 BY MR. MOUGEY: 21 Q. This is an e-mail from Patricia 22 Daugherty. She is a member of your group, correct? 23 A. Yes. 24 Q. She is one of the regional managers of</p>	<p style="text-align: right;">Page 213</p> <p>1 Ordering Application Proposed Enhancement." 2 Do you see that? 3 A. Yes. 4 Q. Very similar to the document that we 5 just looked at from Mr. Bancroft in April of 2012, 6 correct? 7 A. Right. 8 Q. In fact, the date on the bottom of this, 9 April 26, 2012. 10 Do you see that in the bottom right-hand 11 corner? 12 A. Yes. 13 Q. Is he the author, Wayne Bancroft? 14 A. Yes. 15 Q. And one of your managers is forwarding a 16 portion of this memorandum when someone is asking 17 for a one-page summary, correct? 18 A. Yes. 19 Q. And as part of this one-page summary, 20 all the way until 2017 beginning in 2008, continues 21 to be the language, "Orders placed on the DC that 22 exceed its tolerance limit are flagged as 23 suspicious." 24 Do you see that in the very -- the third</p>

<p style="text-align: right;">Page 214</p> <p>1 sentence in the very first paragraph?</p> <p>2 A. In the document that Wayne wrote?</p> <p>3 Q. Yes, ma'am.</p> <p>4 A. Yes.</p> <p>5 Q. The document that Wayne wrote and sent</p> <p>6 around by one of your managers when asked for a</p> <p>7 one-page summary, correct?</p> <p>8 A. Yes. She sent this document.</p> <p>9 Q. But your testimony here today is that's</p> <p>10 inaccurate; that orders -- that orders placed on</p> <p>11 the DC that exceed its tolerance limits are not</p> <p>12 flagged as suspicious but instead they are orders</p> <p>13 of interest, correct?</p> <p>14 A. Correct.</p> <p>15 Q. Do you think that Steve Bamberg</p> <p>16 understood the difference between orders of</p> <p>17 interest or suspicious orders?</p> <p>18 MR. HOUTZ: Object on foundation.</p> <p>19 BY THE WITNESS:</p> <p>20 A. I don't know.</p> <p>21 BY MR. MOUGEY:</p> <p>22 Q. Have you ever talked to him about the</p> <p>23 distinction between orders of interest and</p> <p>24 suspicious orders?</p>	<p style="text-align: right;">Page 216</p> <p>1 Q. So, when you found out at the</p> <p>2 conference, NACD, that was one of the first times</p> <p>3 you heard of it?</p> <p>4 A. Correct.</p> <p>5 Q. No one from Walgreens came and told you</p> <p>6 about Buzzeo?</p> <p>7 A. No.</p> <p>8 Q. I will hand you what we will mark as</p> <p>9 Polster 14.</p> <p>10 (WHEREUPON, a certain document was</p> <p>11 marked as Walgreens-Polster Exhibit</p> <p>12 No. 14: 10/12/12 e-mail with</p> <p>13 attachments; WAGMDL00319129 -</p> <p>14 00319239.)</p> <p>15 BY MR. MOUGEY:</p> <p>16 Q. You see the date of this e-mail is</p> <p>17 October 12, 2012, correct?</p> <p>18 A. Yes.</p> <p>19 Q. And it's from -- do you know who Leslie</p> <p>20 Lowry is?</p> <p>21 A. No.</p> <p>22 Q. And do you see in the bottom right-hand</p> <p>23 corner that this has a Walgreens --</p> <p>24 MS. LEWIS: This is Sarah Lewis. Excuse me.</p>
<p style="text-align: right;">Page 215</p> <p>1 A. No.</p> <p>2 Q. Are you familiar with a third-party</p> <p>3 vendor Buzzeo?</p> <p>4 A. Yes.</p> <p>5 Q. And who do you understand that Buzzeo</p> <p>6 is?</p> <p>7 A. It is a vendor that put together a</p> <p>8 suspicious order monitoring system that I learned</p> <p>9 about in late 2013 or 2014 at NACDS.</p> <p>10 Q. And NACDS is the acronym for the</p> <p>11 National Association of Chain Drug Stores?</p> <p>12 A. Correct.</p> <p>13 Q. No one ever told you that Buzzeo was a</p> <p>14 third-party vendor that had a kind of a</p> <p>15 pre-packaged suspicious order monitoring system?</p> <p>16 A. No. I learned it at the trade show.</p> <p>17 Q. And I think you said in late 2013?</p> <p>18 A. I can't remember which year I went to</p> <p>19 the meeting, but that's when I learned of it.</p> <p>20 Q. It wasn't in the beginning of your</p> <p>21 tenure at Walgreens on the controlled substance</p> <p>22 task force or the beginning of Pharmaceutical</p> <p>23 Integrity, right?</p> <p>24 A. No.</p>	<p style="text-align: right;">Page 217</p> <p>1 I don't think we have the Bates numbers for the</p> <p>2 last two exhibits.</p> <p>3 MR. MOUGEY: The one I have in front of me is</p> <p>4 319129.</p> <p>5 MS. LEWIS: Thank you.</p> <p>6 MR. MOUGEY: Certainly.</p> <p>7 BY MR. MOUGEY:</p> <p>8 Q. And this appears to be a PowerPoint sent</p> <p>9 to a list of individuals that attended a Buzzeo</p> <p>10 seminar, correct? That's what's indicated in the</p> <p>11 first paragraph, correct?</p> <p>12 A. Yes.</p> <p>13 Q. And if you would, we don't have to go</p> <p>14 through the entire thing, have you seen this</p> <p>15 document --</p> <p>16 A. No.</p> <p>17 Q. -- in preparation for today?</p> <p>18 Have you ever seen it before?</p> <p>19 A. No.</p> <p>20 Q. Let's just start on the very first</p> <p>21 page of the PowerPoint, which is the back side of</p> <p>22 the e-mail. It says, "Welcome, Suspicious Order</p> <p>23 Monitoring Seminar, Regulatory Issues and Handling</p> <p>24 Increased Enforcement."</p>

<p style="text-align: right;">Page 218</p> <p>1 A. Okay.</p> <p>2 Q. Hyatt Regency O'Hare. Right here in</p> <p>3 Chicago, right?</p> <p>4 A. Yep.</p> <p>5 Q. October 11, 2012, correct?</p> <p>6 A. Yep.</p> <p>7 Q. Approximately around a month after the</p> <p>8 controlled substance task force was created, right?</p> <p>9 A. Yes.</p> <p>10 Q. Would it have been helpful to have as a</p> <p>11 consultant an outside vendor that had experience in</p> <p>12 suspicious order monitoring and what the rules and</p> <p>13 regulations were in late 2012 when you were on the</p> <p>14 task force?</p> <p>15 A. I don't know. I never -- I honestly</p> <p>16 never thought of it. We had a system and we were</p> <p>17 using that system that we had built.</p> <p>18 Q. But the system that Walgreens had in</p> <p>19 late 2012, you were acutely aware that Walgreens</p> <p>20 was under investigation at both the distribution</p> <p>21 side and the dispensing side, right?</p> <p>22 A. Yes.</p> <p>23 Q. And, so, clearly the system that</p> <p>24 Walgreens had in place in late 2012 was still open</p>	<p style="text-align: right;">Page 220</p> <p>1 Challenges and Responses." Follow me?</p> <p>2 A. Yes.</p> <p>3 Q. It says, "'Cutting' orders to a volume</p> <p>4 that puts the order under a threshold is not</p> <p>5 acceptable."</p> <p>6 Were you aware that Walgreens prior to</p> <p>7 you coming on board in Pharmaceutical Integrity was</p> <p>8 cutting orders that came in to below what it</p> <p>9 believed was a suspicious level?</p> <p>10 A. I was not --</p> <p>11 MR. HOUTZ: Object to form.</p> <p>12 BY THE WITNESS:</p> <p>13 A. I was not aware until you showed --</p> <p>14 started showing me all these documents that I had</p> <p>15 not seen before.</p> <p>16 BY MR. MOUGEY:</p> <p>17 Q. So, sitting here today, you didn't know</p> <p>18 that Walgreens was cutting orders to below what it</p> <p>19 believed was a suspicious order -- suspicious</p> <p>20 level?</p> <p>21 A. I was not aware that we were cutting</p> <p>22 orders.</p> <p>23 Q. And this third-party consultant gave a</p> <p>24 PowerPoint right here in Chicago indicating that</p>
<p style="text-align: right;">Page 219</p> <p>1 to question, correct?</p> <p>2 A. I don't know if I agree with that. I</p> <p>3 think there is a lot of things happening in the</p> <p>4 industry and there were changes that we learned and</p> <p>5 made along the way.</p> <p>6 Q. On October 12, 2012, if you turn to</p> <p>7 page 29 of this PowerPoint, Bates No. 164. It's</p> <p>8 titled "Investigative Challenges and Responses."</p> <p>9 Do you see "Common SOM Pitfalls,"</p> <p>10 suspicious order monitoring pitfalls, on page 165?</p> <p>11 A. Oh, 165.</p> <p>12 MR. HOUTZ: You said 164.</p> <p>13 MR. MOUGEY: I did.</p> <p>14 MR. HOUTZ: Which is I think what you mean.</p> <p>15 BY MR. MOUGEY:</p> <p>16 Q. It's the beginning of the section.</p> <p>17 "Common SOM Pitfalls."</p> <p>18 A. I'm sorry. I wasn't looking at the</p> <p>19 header.</p> <p>20 Q. That's okay. I wasn't clear.</p> <p>21 And then on page 165 it continues. Do</p> <p>22 you see that?</p> <p>23 A. Yeah.</p> <p>24 Q. And the subheading is "Investigative</p>	<p style="text-align: right;">Page 221</p> <p>1 cutting orders to a volume that puts the order</p> <p>2 under a threshold is not acceptable. Correct?</p> <p>3 A. I see that here, yes.</p> <p>4 Q. And under your tenure, under your time</p> <p>5 with Pharmaceutical Integrity, Walgreens was not</p> <p>6 filling orders that came in over suspicious and</p> <p>7 they were not filled, correct?</p> <p>8 A. We were not filling orders that exceeded</p> <p>9 the ceiling and the tolerance that Wayne Bancroft's</p> <p>10 system designed.</p> <p>11 Q. Let me make sure I understand.</p> <p>12 An order that was not filled, is that</p> <p>13 order an order of interest?</p> <p>14 A. No. It was an order that didn't --</p> <p>15 didn't get generated because it was over an amount</p> <p>16 that the store should have had.</p> <p>17 Q. So, it wasn't even -- it was not</p> <p>18 considered even an order of interest?</p> <p>19 A. Right.</p> <p>20 Q. And it also clearly -- you all did not</p> <p>21 believe that it was a suspicious order, correct?</p> <p>22 A. That's correct.</p> <p>23 Q. Now, I'm a little confused by that. So,</p> <p>24 let me try and think of an analogy that maybe would</p>

<p style="text-align: right;">Page 222</p> <p>1 help.</p> <p>2 Let's assume that I have somebody on my</p> <p>3 front porch looking through my windows to see if</p> <p>4 someone was home and, if not, was potentially going</p> <p>5 to break in my house. Okay. Are we on the same</p> <p>6 page?</p> <p>7 A. Sure.</p> <p>8 Q. But I have an alarm system on my house</p> <p>9 and as he puts his head up to my door, or she, and</p> <p>10 looks through the window, the movement on the door</p> <p>11 sets off an alarm.</p> <p>12 A. Okay.</p> <p>13 Q. And as a result of that alarm going off,</p> <p>14 that person doesn't break into my house. All</p> <p>15 right. Still on the same page?</p> <p>16 A. Um-hmm.</p> <p>17 Q. And flees. Nothing bad happens to me</p> <p>18 because I have that alarm.</p> <p>19 A. Okay.</p> <p>20 Q. Okay. Now, would you consider the fact</p> <p>21 that I have a potential intruder on my front porch</p> <p>22 looking through my windows, do you think that's</p> <p>23 suspicious activity?</p> <p>24 A. Yes.</p>	<p style="text-align: right;">Page 224</p> <p>1 the ordinary is if somebody tried to go outside of</p> <p>2 the system meaning one of the pharmacists at the</p> <p>3 location tried to order in excess. Those are the</p> <p>4 ones that would be deemed orders of interest and</p> <p>5 therefore reviewed and/or reported to the DEA if it</p> <p>6 was deemed suspicious.</p> <p>7 Q. So, the fact an order came in that</p> <p>8 exceeded the Wayne Bancroft algorithm but was not</p> <p>9 shipped automatically converted that order to a</p> <p>10 non-suspicious level, correct?</p> <p>11 MR. HOUTZ: Object to form.</p> <p>12 BY THE WITNESS:</p> <p>13 A. Not when I had it. Not when I had the</p> <p>14 system. We just didn't ship.</p> <p>15 BY MR. MOUGEY:</p> <p>16 Q. That's right. By not shipping --</p> <p>17 A. Right.</p> <p>18 Q. -- it converted an order that exceeded</p> <p>19 the ceiling, by not shipping it, it wasn't</p> <p>20 suspicious. Correct?</p> <p>21 MR. HOUTZ: Object to form.</p> <p>22 BY THE WITNESS:</p> <p>23 A. It wasn't even an order because it never</p> <p>24 generated.</p>
<p style="text-align: right;">Page 223</p> <p>1 Q. And the fact that I had a system in</p> <p>2 place preventing him from breaking into my house,</p> <p>3 does that change his conduct looking through the</p> <p>4 windows and all of a sudden automatically turn that</p> <p>5 into unsuspicious activity?</p> <p>6 A. You're asking me if just because he</p> <p>7 didn't break into your house, does it not become</p> <p>8 suspicious?</p> <p>9 Q. Right.</p> <p>10 A. No, it's still suspicious.</p> <p>11 Q. Of course not. He is still looking</p> <p>12 through my windows, still...</p> <p>13 Now, Walgreens' system, similar to my</p> <p>14 alarm, is there to detect a potential red flag.</p> <p>15 Would you agree with that?</p> <p>16 A. It was put in place to ensure that the</p> <p>17 stores had the proper quantities. Not necessarily</p> <p>18 to -- did you just call it a red flag?</p> <p>19 Q. Yes, ma'am.</p> <p>20 A. Not necessarily to detect a red flag.</p> <p>21 The whole idea was to make sure that the</p> <p>22 stores were getting the quantities that they needed</p> <p>23 based on their peer group. What made it suspicious</p> <p>24 or what would make it something, you know, out of</p>	<p style="text-align: right;">Page 225</p> <p>1 BY MR. MOUGEY:</p> <p>2 Q. That's referred to as shipment, correct,</p> <p>3 an order comes in and it wasn't shipped, correct?</p> <p>4 A. An order came in. It exceeded the</p> <p>5 threshold. It never even generated. And therefore</p> <p>6 it was never shipped.</p> <p>7 Q. So, the order comes in and because it</p> <p>8 exceeds the threshold, now it's no longer even an</p> <p>9 order?</p> <p>10 A. That's right.</p> <p>11 Q. I hand you P-WAG-1050, Bates No. 658246.</p> <p>12 Polster 15.</p> <p>13 (WHEREUPON, a certain document was</p> <p>14 marked as Walgreens-Polster Exhibit</p> <p>15 No. 15: 11/9/12 e-mail string;</p> <p>16 WAGMDL00658246 - 00658248.)</p> <p>17 BY MR. MOUGEY:</p> <p>18 Q. Rex Swords is your boss, right?</p> <p>19 A. Was my boss, yes.</p> <p>20 Q. Was your boss. During your time during</p> <p>21 Pharmaceutical Integrity you reported directly to</p> <p>22 him, correct?</p> <p>23 A. Yes.</p> <p>24 Q. And he is fairly senior at Walgreens,</p>

<p style="text-align: right;">Page 226</p> <p>1 correct?</p> <p>2 A. Yes.</p> <p>3 Q. Was he fairly knowledgeable about the</p> <p>4 suspicious order monitoring process?</p> <p>5 A. He became knowledgeable probably right</p> <p>6 about the time I did.</p> <p>7 Q. And he was brought in to oversee the</p> <p>8 Pharmaceutical Integrity group, correct?</p> <p>9 A. Yes.</p> <p>10 Q. Similar to you, correct?</p> <p>11 A. Yes.</p> <p>12 Q. And he was part of the same kind of</p> <p>13 meeting and educational process as your group was,</p> <p>14 correct?</p> <p>15 A. Yes.</p> <p>16 Q. And you see here that Mike Bleser sent</p> <p>17 Denman Murray, Barb Martin and Frank DeStefano an</p> <p>18 e-mail at the top, correct?</p> <p>19 A. Yes.</p> <p>20 Q. And that was a forward from an initial</p> <p>21 e-mail from Rex Swords that's copied to you,</p> <p>22 correct?</p> <p>23 A. Yes.</p> <p>24 Q. And Rex Swords' e-mail went to Kermit</p>	<p style="text-align: right;">Page 228</p> <p>1 A. Yes.</p> <p>2 Q. And what is NABP acronym again?</p> <p>3 A. National Association of Boards of</p> <p>4 Pharmacy.</p> <p>5 Q. And he says, "I have the sense that</p> <p>6 today's meeting was a condensed version of the</p> <p>7 regional meetings the DEA is holding throughout the</p> <p>8 country for pharmacists. Although no attendance</p> <p>9 list was available, I believe most, if not all, of</p> <p>10 the major chain operators were there."</p> <p>11 Correct?</p> <p>12 A. Yes.</p> <p>13 Q. And he references also who showed up</p> <p>14 from the DEA, including Mr. Rannazzisi, correct?</p> <p>15 A. Yes.</p> <p>16 Q. And you recognize that Mr. Rannazzisi is</p> <p>17 one of the senior folks from the DEA, correct?</p> <p>18 A. At the time, yes.</p> <p>19 Q. That's right. And that Mr. Rannazzisi</p> <p>20 presented a PowerPoint deck on prescription drug</p> <p>21 trafficking and abuse for almost two hours?</p> <p>22 A. Yes.</p> <p>23 Q. Were you here at this presentation?</p> <p>24 A. No.</p>
<p style="text-align: right;">Page 227</p> <p>1 Crawford, correct?</p> <p>2 A. Yes.</p> <p>3 Q. And you know who Kermit Crawford is,</p> <p>4 correct?</p> <p>5 A. Yes.</p> <p>6 Q. What was his title back in 2012?</p> <p>7 A. I don't remember exactly, but probably</p> <p>8 president of pharmacy services or operations or</p> <p>9 something.</p> <p>10 Q. Not -- not too far from the top of</p> <p>11 Walgreens --</p> <p>12 A. Right.</p> <p>13 Q. -- correct?</p> <p>14 A. Right.</p> <p>15 Q. So, this was about as senior as you get</p> <p>16 at Walgreens short of the CEO, correct?</p> <p>17 A. Yes.</p> <p>18 Q. So, you have Rex Swords and you would</p> <p>19 agree that he is fairly senior, correct?</p> <p>20 A. Yep.</p> <p>21 Q. To his boss, correct?</p> <p>22 A. Yes.</p> <p>23 Q. And he relayed some thoughts after a</p> <p>24 November 8th DEA meeting at NABP, correct?</p>	<p style="text-align: right;">Page 229</p> <p>1 Q. And -- but Mr. Swords apparently went?</p> <p>2 A. Yes.</p> <p>3 Q. And he was passing along his thoughts to</p> <p>4 you, amongst others, correct?</p> <p>5 A. Yeah.</p> <p>6 Q. Including Patty Zagami, correct?</p> <p>7 A. Yes.</p> <p>8 Q. And if you would turn the page,</p> <p>9 Mr. Swords cites to 21 CFR 1301.74.</p> <p>10 Do you see where I am?</p> <p>11 A. Yes.</p> <p>12 Q. And that is the applicable reg that for</p> <p>13 Walgreens as a distributor that it should "design</p> <p>14 and operate a system to disclose to the registrant</p> <p>15 suspicious orders of controlled</p> <p>16 substances...suspicious orders include orders of</p> <p>17 unusual size, orders deviating substantially from a</p> <p>18 normal pattern and orders of unusual nature."</p> <p>19 Do you see that?</p> <p>20 A. Yes.</p> <p>21 Q. And he says, "If suspicious - you don't</p> <p>22 ship. Decreasing the order and shipping is not</p> <p>23 complying with the regulation."</p> <p>24 Follow me?</p>

<p style="text-align: right;">Page 230</p> <p>1 A. Yep.</p> <p>2 Q. "Ignoring suspicious orders will result</p> <p>3 in civil penalties. Cited Cardinal, ABC and</p> <p>4 McKesson fines."</p> <p>5 Did I read that right?</p> <p>6 A. Yes.</p> <p>7 Q. Was there any concerted effort within</p> <p>8 Walgreens that you're aware of that Walgreens made</p> <p>9 a determination to change orders flagged by</p> <p>10 Mr. Bancroft's algorithm from suspicious into</p> <p>11 orders of interest?</p> <p>12 A. I don't know.</p> <p>13 Q. You have never had any conversations</p> <p>14 with anyone trying to determine how we can move</p> <p>15 orders flagged by Mr. Bancroft's system from</p> <p>16 suspicious to orders of interest?</p> <p>17 MR. HOUTZ: Object to form.</p> <p>18 BY THE WITNESS:</p> <p>19 A. That's correct.</p> <p>20 BY MR. MOUGEY:</p> <p>21 Q. Because if in fact there were orders</p> <p>22 that were suspicious and flagged at Walgreens, they</p> <p>23 had to be reported to the DEA, correct?</p> <p>24 MR. HOUTZ: Object.</p>	<p style="text-align: right;">Page 232</p> <p>1 00574825.)</p> <p>2 BY MR. MOUGEY:</p> <p>3 Q. Ms. Polster, this is an e-mail from you</p> <p>4 to Mr. Stahmann, Ms. Daugherty, Christopher Dymon</p> <p>5 and Edward Bratton. Those are members of your</p> <p>6 team, right?</p> <p>7 A. Yes.</p> <p>8 Q. Dated 3/20/2013, correct?</p> <p>9 A. Yes.</p> <p>10 Q. And attached is a memorandum from you to</p> <p>11 Mr. Swords, correct?</p> <p>12 A. Yes.</p> <p>13 Q. And the second bullet down says, "SOM</p> <p>14 meeting," suspicious order monitoring meeting,</p> <p>15 correct?</p> <p>16 A. Yes.</p> <p>17 Q. So, November 30, 2012, right at the</p> <p>18 beginning of Pharmaceutical Integrity, you and</p> <p>19 Mr. Swords, your boss, are discussing putting</p> <p>20 together a work group to begin the determination</p> <p>21 between a suspicious order and an order of</p> <p>22 interest, correct?</p> <p>23 A. Yes.</p> <p>24 Q. Because prior to this time, November 30,</p>
<p style="text-align: right;">Page 231</p> <p>1 BY THE WITNESS:</p> <p>2 A. After they were investigated they had to</p> <p>3 be reported. An order isn't deemed suspicious</p> <p>4 until after you have -- you've looked into it.</p> <p>5 BY MR. MOUGEY:</p> <p>6 Q. Although we've just looked at document</p> <p>7 after document after document from 2008 all the way</p> <p>8 from a member of your own department in 2017 saying</p> <p>9 that an order flagged by the Bancroft algorithm was</p> <p>10 deemed suspicious, correct?</p> <p>11 A. That's what the document said.</p> <p>12 Q. Yes, ma'am. But sitting here today</p> <p>13 testifying in front of this jury, those several</p> <p>14 years' worth of internal documents at Walgreens, we</p> <p>15 should just disregard those because that really</p> <p>16 isn't the system that was in place, correct?</p> <p>17 A. That wasn't the system I know about.</p> <p>18 The system that I know about is what was in place</p> <p>19 when I -- when I took over it.</p> <p>20 MR. MOUGEY: Bates No. 574824, Polster 16.</p> <p>21 (WHEREUPON, a certain document was</p> <p>22 marked as Walgreens-Polster Exhibit</p> <p>23 No. 16: 3/20/13 e-mail with</p> <p>24 attachment; WAGMDL00574824 -</p>	<p style="text-align: right;">Page 233</p> <p>1 2012, Walgreens had identified orders flagged by</p> <p>2 Mr. Bancroft's algorithm as suspicious and you and</p> <p>3 Mr. Swords put a working group together to figure</p> <p>4 out what we're going to call or what's going to</p> <p>5 fall into the orders of interest bucket, correct?</p> <p>6 MR. HOUTZ: Object to form.</p> <p>7 BY THE WITNESS:</p> <p>8 A. No, not correct.</p> <p>9 BY MR. MOUGEY:</p> <p>10 Q. So, after November 30, 2012, from this</p> <p>11 meeting, the discussion internally was the orders</p> <p>12 flagged by Walgreens' Bancroft algorithm were now</p> <p>13 going to be called orders of interest, correct?</p> <p>14 A. No.</p> <p>15 Q. I hand you what we are going to mark as</p> <p>16 Polster 17. Bates No. 659270.</p> <p>17 (WHEREUPON, a certain document was</p> <p>18 marked as Walgreens-Polster Exhibit</p> <p>19 No. 17: 12/16/12 e-mail string</p> <p>20 with attachments; WAGMDL00659270 -</p> <p>21 00659274.)</p> <p>22 BY MR. MOUGEY:</p> <p>23 Q. The bottom of this e-mail begins with an</p> <p>24 e-mail from you to Dan Doyle, correct?</p>

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1 A. Yes.
2 Q. Who is Dan Doyle?
3 A. He is a vice president of finance.
4 Q. And it's dated December 16, 2012,
5 correct?
6 A. Yes.
7 Q. You relay to Mr. Doyle that "The DEA has
8 alleged that Walgreens suspicious order monitoring
9 program for controlled substances is inadequate and
10 has taken aggressive enforcement actions against
11 three Florida pharmacies and the Jupiter
12 distribution center."
13 Correct?
14 A. Yes.
15 Q. And that three Florida pharmacies was
16 actually increased at the end of 2012 to six,
17 correct?
18 A. Yes.
19 Q. "In addition to the actions against
20 their registrations, DEA is demanding civil
21 penalties, potentially totaling hundreds of
22 millions of dollars." Correct?
23 A. Yes.
24 Q. And you were updating Mr. Doyle from

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1 finance so he could have an understanding of what
2 the financial impact was on these fines from the
3 DEA?
4 A. Yes.
5 Q. And you go on to tell Mr. Doyle that
6 "The DEA has confirmed that additional regulatory
7 actions are pending against other Walgreen
8 facilities due to the issues uncovered in their
9 current investigation."
10 Is that correct?
11 A. Yes.
12 Q. And isn't it true, Ms. Polster, that the
13 reason that these enhancements were made at
14 Walgreens to the suspicious order monitoring
15 policies was to try and convince the DEA that it
16 should reduce the amount of fines that it was ready
17 to impose?
18 A. No.
19 Q. You've never said that?
20 A. No.
21 Q. You've never communicated with anyone
22 and said that the reason why we are doing the work
23 we are was to try to convince the DEA that it
24 should reduce its fines?

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1 A. No.
2 Q. You go on to tell Mr. Doyle, "In
3 response, the company has enhanced its suspicious
4 order monitoring system for controlled substances
5 in an effort to convince DEA that the proposed
6 penalty is excessive."
7 Correct, Ms. Polster?
8 A. Where are you even reading that?
9 Q. I am reading that in the second
10 paragraph, and I'll read it for you again.
11 "In response, the company has enhanced
12 its suspicious order monitoring program for
13 controlled substances in an effort to convince the
14 DEA that the proposed penalty is excessive."
15 Did I read that right?
16 A. It's in there, yes.
17 Q. So, this entire Pharmaceutical Integrity
18 group, the controlled substance task force was put
19 in place at the end of 2012 to try to convince the
20 DEA that the proposed penalty was excessive,
21 correct?
22 A. I don't know that that was the reason
23 why it was put in place. There was a lot of work
24 that needed to be done around the DEA.

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1 Q. You have an understanding that at this
2 point in time there are people dying all over the
3 U.S. because of overdoses from controlled
4 substances, correct?
5 A. Yes.
6 Q. And that Walgreens is one of the largest
7 dispensers and distributors of controlled
8 substances, more specifically oxycodone,
9 hydrocodone, hydromorphone, in the United States,
10 correct?
11 A. We have a large market share of pharmacy
12 business.
13 Q. You have a large market share of the
14 distributor business, correct, Ms. Polster?
15 A. I don't know the answer to that.
16 Q. So, this entire Pharmaceutical Integrity
17 group that was set up in late '12 and 2013 was to
18 put a happy face on Walgreens for the DEA
19 demonstrating that it was trying to comply,
20 correct?
21 MR. HOUTZ: Object to form, asked and
22 answered.
23 BY THE WITNESS:
24 A. I don't agree with that.

<p style="text-align: right;">Page 238</p> <p>1 BY MR. MOUGEY:</p> <p>2 Q. And we have just looked through several</p> <p>3 documents going from 2008 all the way up to 2017</p> <p>4 that orders that were flagged by Bancroft's system</p> <p>5 were not reported to the DEA, correct?</p> <p>6 A. I don't remember it saying that we never</p> <p>7 reported to the DEA.</p> <p>8 Q. When your system reduced an order below</p> <p>9 a suspicious -- what was deemed suspicious, that</p> <p>10 order was not reported to the DEA, correct?</p> <p>11 A. Correct.</p> <p>12 MR. HOUTZ: Object on foundation.</p> <p>13 BY MR. MOUGEY:</p> <p>14 Q. When an order was not shipped and then</p> <p>15 magically became not an order, that was not relayed</p> <p>16 to the DEA, correct?</p> <p>17 A. Right.</p> <p>18 Q. You go on in the third paragraph of this</p> <p>19 memorandum to relay to him that "The updated</p> <p>20 suspicious order monitoring program is currently</p> <p>21 being piloted. Once turned on for all controlled</p> <p>22 medications nationwide, it is expected to generate</p> <p>23 thousands of 'orders of interest,'" and you put</p> <p>24 those in quotes, correct?</p>	<p style="text-align: right;">Page 240</p> <p>1 Correct?</p> <p>2 A. Correct.</p> <p>3 Q. How many people were in Pharmaceutical</p> <p>4 Integrity group as of the end of 2012?</p> <p>5 A. I did not have many, which is -- which</p> <p>6 was the point. I was building my team.</p> <p>7 Q. Less than five.</p> <p>8 A. Okay.</p> <p>9 Q. And at its peak how many people did you</p> <p>10 all have in Pharmaceutical Integrity?</p> <p>11 A. 11.</p> <p>12 Q. 11. With 14,000 items that the stores</p> <p>13 across the chain would have to be investigated.</p> <p>14 Correct?</p> <p>15 A. Yep.</p> <p>16 Q. Or we can magically call orders "orders</p> <p>17 of interest" and not have to investigate them,</p> <p>18 correct?</p> <p>19 A. I don't agree with you.</p> <p>20 Q. And that is ultimately what happened,</p> <p>21 correct?</p> <p>22 A. No.</p> <p>23 Q. The orders were taken out of the</p> <p>24 suspicious category, put into an order of interest</p>
<p style="text-align: right;">Page 239</p> <p>1 A. Yes.</p> <p>2 Q. Orders of interest, correct? The same</p> <p>3 orders of interest that you and Mr. Swords in a</p> <p>4 memorandum needed to form a working group to help</p> <p>5 define, correct?</p> <p>6 MR. HOUTZ: Object to form.</p> <p>7 BY THE WITNESS:</p> <p>8 A. Yes.</p> <p>9 BY MR. MOUGEY:</p> <p>10 Q. Within a month of that memorandum,</p> <p>11 "orders of interest," in air quotes, to the finance</p> <p>12 side.</p> <p>13 And you relayed that "These 'orders of</p> <p>14 interest' will all require review prior to allowing</p> <p>15 the drugs to be shipped to our pharmacies."</p> <p>16 Correct?</p> <p>17 A. Yes.</p> <p>18 Q. And you went on at the bottom of this</p> <p>19 memorandum to the finance side saying, "The SOM</p> <p>20 system has been turned on to 'tracking' for the</p> <p>21 chain for all controlled substances, per the chart</p> <p>22 below, for last week we had 14,000 items that the</p> <p>23 stores ordered across the chain that would have to</p> <p>24 be investigated."</p>	<p style="text-align: right;">Page 241</p> <p>1 category and those were not investigated, correct?</p> <p>2 A. No, they were investigated.</p> <p>3 Q. So, between the five and ten people that</p> <p>4 Walgreens allocated to your department in 2013,</p> <p>5 their job was to go through these 14,000 orders of</p> <p>6 interest to investigate those, correct?</p> <p>7 A. No. These were on tracking. This was</p> <p>8 the updated system. And these were on tracking,</p> <p>9 and they did not investigate these particular</p> <p>10 14,000 because they were on tracking.</p> <p>11 By that time we had to get the stores</p> <p>12 trained to understand that they were not to do any</p> <p>13 ordering outside of what SIMS ordered for them, and</p> <p>14 any order that did get generated or placed or</p> <p>15 whatever outside of SIMS ultimately became what</p> <p>16 orders that we deemed as orders of interest and</p> <p>17 then they went into being determined whether or not</p> <p>18 they were suspicious or whether they were deemed</p> <p>19 okay to ship.</p> <p>20 MR. MOUGEY: Take a break.</p> <p>21 THE VIDEOGRAPHER: We are off the record at</p> <p>22 3:00 p.m.</p> <p>23 (WHEREUPON, a recess was had</p> <p>24 from 3:00 to 3:29 p.m.)</p>

<p style="text-align: right;">Page 242</p> <p>1 THE VIDEOGRAPHER: We are back on record at 2 3:29 p.m. 3 MR. MOUGEY: I apologize for the delay. I was 4 just on the hearing with Special Master Cohen. 5 Les, while we are here today, would you 6 mind having someone from upstairs that knows -- we 7 have been asking -- is it Sharon Desh? Is that her 8 name? 9 MR. HOUTZ: Yes. 10 MR. MOUGEY: We have been asking Sharon for 11 five days whether or not it intends to comply with 12 the Special Master Cohen's order on the 27 or 28 13 documents that privilege was waived, and I've asked 14 repeatedly when we can expect to get those 15 documents and I've never -- I don't think, I might 16 be mistaken, but I don't believe I have even had 17 the courtesy of a response. 18 Would you mind asking her if she can 19 come or tell you and you can let me know? 20 MR. HOUTZ: Yes. I can ask her. 21 MR. MOUGEY: Thank you. 22 BY MR. MOUGEY: 23 Q. Ms. Polster, would you please go back to 24 Polster 9, and it was the -- okay. I'd like to go</p>	<p style="text-align: right;">Page 244</p> <p>1 point. Okay? 2 A. Okay. 3 Q. So, what I want to do is just have an 4 understanding of what you know and don't know. 5 So, under key point 1, from August of 6 '09 to 9 of 2010, "Reviews WAG DC orders only." 7 Correct? Did I read that right? 8 A. Yes. 9 Q. Okay. And WAG is obviously Walgreens 10 and DC is distribution center, correct? 11 A. Yes. 12 Q. Do you have an understanding that the 13 Bancroft algorithm only reviewed Walgreens 14 distribution center orders only? 15 A. That's what it says here. 16 Q. Do you have an understanding, do you 17 know that? 18 A. I don't know any different than this. 19 Q. We were talking about gaps earlier. And 20 were you aware that up and until June of 2012 that 21 the -- that the only systems going through the 22 Bancroft algorithm were orders that were sent to 23 the Walgreens distribution centers? 24 MR. HOUTZ: Object to form.</p>
<p style="text-align: right;">Page 243</p> <p>1 to Bates No. 17. 2 A. Okay. 3 Q. And it's up on the monitor behind you. 4 What I'd like to do is, we went through 5 the boxes on top, but we didn't go through the key 6 points; and I'd like you to go through those with 7 me. Okay. 8 A. Sure. 9 MR. HOUTZ: You can also feel free to look at 10 the paper, whichever is more convenient. 11 THE WITNESS: Okay. 12 MR. MOUGEY: Whichever is easiest. 13 MR. HOUTZ: It's the same thing. 14 MR. MOUGEY: Absolutely. 15 THE WITNESS: Okay. 16 BY MR. MOUGEY: 17 Q. So, you see in "Phase" it has 1, 2, 3 18 and 4. Do you see that? 19 A. Yes. 20 Q. And I believe ultimately there were 5.5 21 phases of the Wayne Bancroft algorithm, correct? 22 A. Yes. 23 Q. So, this document I believe is from 24 July of '12 and captures the modifications to that</p>	<p style="text-align: right;">Page 245</p> <p>1 BY THE WITNESS: 2 A. It's not a cut-and-dry answer for your 3 yes and no. I know you think it is, but it's not. 4 It wasn't going through the order, but 5 it was adding to the inventory quantity at the 6 store level. 7 BY MR. MOUGEY: 8 Q. The question that I asked, though, was 9 that it was going through the Bancroft algorithm 10 that was used to detect orders that needed further 11 review, correct? 12 MR. HOUTZ: Object to form. 13 BY THE WITNESS: 14 A. I don't know. 15 BY MR. MOUGEY: 16 Q. You don't know? 17 A. All I know is what's here because you're 18 not letting me answer the question with all the 19 information I do know. 20 Q. I haven't interrupted any of your 21 answers today, Ms. Polster. I'm not really sure 22 what you're referring to. 23 What I simply asked is: Were you aware 24 that the Bancroft algorithm used to detect</p>

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1 suspicious orders only reviewed orders that went to
2 the Walgreens distribution center?
3 MR. HOUTZ: Object to form.
4 BY THE WITNESS:
5 A. That's what it says here.
6 BY MR. MOUGEY:
7 Q. But you sitting here today you don't
8 know that. You didn't know that --
9 A. No.
10 Q. -- before looking at this document?
11 A. No.
12 Q. You haven't seen this document before we
13 sat here today?
14 A. I have not.
15 Q. Did anyone as part of your educational
16 process when you started at Pharmaceutical
17 Integrity walk you through the different
18 reiterations of the Walgreens suspicious order
19 monitoring policies?
20 A. No, I was walked through what was
21 currently in place and what I was taking over.
22 Q. But not what the reiterations were?
23 A. Correct.
24 Q. So, you don't know that in the box

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1 phase 1, August of 2009 to September of 2010, that
2 there were no order reductions in phase 1?
3 A. I did not know that.
4 Q. You didn't know from September '10 to
5 the current that the reductions begin in phase 2
6 but only applies to WAG, Walgreens distribution
7 center orders?
8 MR. HOUTZ: Object to form.
9 BY THE WITNESS:
10 A. Correct.
11 BY MR. MOUGEY:
12 Q. And from June of 2012 to July of 2012
13 that -- that the algorithm reviewed WAG
14 distribution center orders but for the first time
15 checks to see if vendor order placed within 48
16 hours for same drug?
17 MR. HOUTZ: Object to form.
18 BY THE WITNESS:
19 A. I did not know that.
20 BY MR. MOUGEY:
21 Q. And then July of 2012, "Walgreens
22 distribution center orders plus applies to same
23 logic to vendor orders making them eligible for
24 flagging and order reduction." Were you aware of

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1 that?
2 A. When -- when I -- when I got the system
3 and it was -- my understanding was it was included
4 in there.
5 Q. So, when you look at 4, "Both WAG
6 distribution center and vendor orders reduced if
7 thresholds exceeded"?
8 MR. HOUTZ: Object to form.
9 BY MR. MOUGEY:
10 Q. Do you see that?
11 A. Yeah, I see it.
12 Q. So that -- the fact that orders were
13 going from both Walgreen orders and orders that
14 were sent to outside vendors, for example,
15 Cardinal, for the first time in July of 2012, they
16 were being reduced pursuant to the algorithm?
17 MS. FIX MEYER: Objection; foundation.
18 BY THE WITNESS:
19 A. I don't know.
20 BY MR. MOUGEY:
21 Q. You don't know?
22 A. Other than what's here. That's all I
23 know.
24 Q. So, when Mr. Bratton was referring to

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1 runaway growth, do you have an understanding if
2 Mr. Bratton knew these gaps were in place until
3 late 2012?
4 A. I don't --
5 MR. HOUTZ: Objection; foundation.
6 BY THE WITNESS:
7 A. I don't know.
8 BY MR. MOUGEY:
9 Q. You'd agree with me, the fact that a
10 pharmacist -- a pharmacy, that order had been
11 reduced by Walgreens system but then they could
12 then order that same drug from another vendor like
13 Cardinal is a gap in Walgreens' system, correct?
14 MS. FIX MEYER: Objection; form, foundation.
15 BY THE WITNESS:
16 A. It's a gap that my team didn't see it.
17 I don't necessarily agree that it was a gap in the
18 Walgreens system.
19 BY MR. MOUGEY:
20 Q. Well, if the Walgreens system detects an
21 order from a pharmacy and reduces it but then the
22 pharmacy is free to order it from another vendor,
23 that exception or gap kind of swallows the rule,
24 does it not?

<p style="text-align: right;">Page 250</p> <p>1 A. I don't agree with that statement.</p> <p>2 Q. So, you don't see any problem with</p> <p>3 Walgreens telling a pharmacy that order is not</p> <p>4 going to get filled but allowing that pharmacy to</p> <p>5 go to Cardinal and fill it there. There is no</p> <p>6 problem as far as you're concerned?</p> <p>7 MS. FIX MEYER: Objection; form, foundation,</p> <p>8 calls for speculation.</p> <p>9 BY THE WITNESS:</p> <p>10 A. We never said there was -- there was no</p> <p>11 problem. We never communicated to the store. They</p> <p>12 just didn't get the order. And, so, they're trying</p> <p>13 to take care of a patient that has a prescription</p> <p>14 and they don't have the product. It didn't come in</p> <p>15 through the warehouse. So they ordered it through</p> <p>16 the wholesaler. The wholesaler has their own</p> <p>17 suspicious order responsibilities.</p> <p>18 BY MR. MOUGEY:</p> <p>19 Q. So, you don't see any -- we are not --</p> <p>20 you are not trying to pass your responsibilities --</p> <p>21 A. Of course not.</p> <p>22 Q. -- off to Cardinal, correct?</p> <p>23 A. Of course not.</p> <p>24 Q. You are not trying to pass your</p>	<p style="text-align: right;">Page 252</p> <p>1 A. We never told them no. They just didn't</p> <p>2 know.</p> <p>3 Q. Ms. Polster, you cut the order down to</p> <p>4 zero. You didn't fill it. The Walgreens pharmacy</p> <p>5 orders it from an outside vendor.</p> <p>6 MR. HOUTZ: The question?</p> <p>7 BY MR. MOUGEY:</p> <p>8 Q. You don't -- you don't see that as a</p> <p>9 problem?</p> <p>10 A. The problem that I saw was that we</p> <p>11 didn't do a good job of communicating to the stores</p> <p>12 why they didn't get their order. That is why we</p> <p>13 changed the whole procedure and let them know,</p> <p>14 listen, if you try to order outside of the</p> <p>15 system-generated order, you have to go through the</p> <p>16 processes so that we have the documentation that we</p> <p>17 need. Otherwise you're not going to get the order.</p> <p>18 And that's what happened.</p> <p>19 BY MR. MOUGEY:</p> <p>20 Q. And that was a gap in Walgreens' system</p> <p>21 until your group closed it, correct?</p> <p>22 A. What was the gap?</p> <p>23 Q. The gap that the pharmacy could go to a</p> <p>24 third-party vendor and order oxycodone that</p>
<p style="text-align: right;">Page 251</p> <p>1 responsibilities over to AmerisourceBergen,</p> <p>2 correct?</p> <p>3 MS. SCHUCHARDT: Objection; form.</p> <p>4 BY THE WITNESS:</p> <p>5 A. Of course not.</p> <p>6 BY MR. MOUGEY:</p> <p>7 Q. We're talking about Walgreens' system.</p> <p>8 What I'm asking you is the fact that</p> <p>9 Walgreens can identify an order, flag it and take</p> <p>10 it to zero, but then that pharmacy can then place</p> <p>11 it with another vendor, you don't see that as a gap</p> <p>12 in Walgreens' system?</p> <p>13 A. It was a gap that my team didn't have</p> <p>14 the visibility. But if that vendor did ship into</p> <p>15 the store, I had visibility and the quantities went</p> <p>16 into the store and I was able to see that they had</p> <p>17 exceeded their ceiling that we set for them.</p> <p>18 Just because we set the ceiling does not</p> <p>19 mean we were right. That's why we changed our</p> <p>20 policies and procedures to get the documentation we</p> <p>21 needed to go -- if they wanted it over the ceiling</p> <p>22 limit, we had to understand the reason why.</p> <p>23 Q. So, you tell the pharmacy no and they're</p> <p>24 free to go get it from another vendor?</p>	<p style="text-align: right;">Page 253</p> <p>1 Walgreens had told it or pushed the order down to</p> <p>2 zero.</p> <p>3 A. Again, I don't agree with you in the</p> <p>4 gap. The gap was there in that we had not good</p> <p>5 communication between the support center and the</p> <p>6 stores to let them know that they've reached the</p> <p>7 limits that we set for them.</p> <p>8 But until I had the documentation that I</p> <p>9 needed or information that I needed and also</p> <p>10 information that the wholesaler sometimes needs in</p> <p>11 order to deem whether or not that order is</p> <p>12 suspicious or not, there was no way for me to get</p> <p>13 that information. They just didn't get the order.</p> <p>14 Q. So they went and got it from another</p> <p>15 vendor?</p> <p>16 A. So they went and got it from the other</p> <p>17 vendor.</p> <p>18 Q. Are you familiar with PDQ at Walgreens?</p> <p>19 A. Yes.</p> <p>20 Q. And what does PDQ stand for?</p> <p>21 A. I don't remember what the Walgreens</p> <p>22 acronym was, but we used it, I mean, in general</p> <p>23 just -- I've also known it as PDQ, and my</p> <p>24 definition is pretty darn quick.</p>

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1 Q. Hand you what we are going to mark as
2 Polster 18.
3 (WHEREUPON, a certain document was
4 marked as Walgreens-Polster Exhibit
5 No. 18: 10/1/12 e-mail string;
6 WAGMDL00705318 - 00705320.)
7 BY MR. MOUGEY:
8 Q. It's an e-mail dated October 1, 2012
9 from Rex Swords, again, to senior people at
10 Walgreens, including Kermit Crawford, correct?
11 A. Yes.
12 Q. And Mr. Swords, as you can see in the
13 e-mail dated October 1, 2012 in the middle of the
14 page, that he is discussing oxycodone no longer
15 being ordered via PDQ, pretty darn quick?
16 A. Okay.
17 Q. And "PDQ orders did not aggregate to the
18 monthly cumulative limits," Mr. Swords is relaying
19 to Mr. Kermit, correct?
20 A. Yes.
21 Q. "Although line limits are still imposed
22 on the individual order. Without this edit, stores
23 could order PDQ every day for Oxy and as long as
24 they didn't trip the line order limit edit, they

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1 would receive the product and end up exceeding our
2 monthly cumulative order limits."
3 Correct?
4 A. Yes.
5 Q. And that was a gap in Walgreens' system,
6 correct?
7 A. I would agree.
8 Q. "As Dave mentions, stores still have
9 access to growth if needed outside their normal
10 order process using the controlled substance
11 override form on Storenet."
12 This form allows for a manual order to
13 take place, but provides the documentation and
14 review needed to ensure the order is appropriate,
15 correct?
16 A. Yes.
17 Q. Pharmaceutical Integrity closed the gap
18 in late '12, early '13 with the PDQ ordering,
19 correct?
20 A. In terms of it not counting and the
21 limits being imposed?
22 Q. Yes, ma'am.
23 A. Correct.
24 Q. So, when Mr. Bratton was referring to

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1 the previous process contributed to the runaway
2 growth, this -- of OxyContin, this is one of the
3 gaps in Walgreens' system that contributed to the
4 runaway growth, correct?
5 MR. HOUTZ: Object to form and foundation.
6 BY THE WITNESS:
7 A. I don't know.
8 BY MR. MOUGEY:
9 Q. Are you familiar with what 340B is?
10 A. A little bit.
11 Q. Explain to me what your general
12 understanding of what 340B is.
13 A. 340B is when prescriptions are paid for
14 for the underprivileged or underserved communities.
15 Q. It's a Federal Government program that
16 folks that don't have enough money to pay for their
17 own prescriptions are paid for by the Federal
18 Government, correct?
19 A. Yes.
20 Q. And do you have an understanding of
21 whether or not Walgreens' 340B program was run
22 through its suspicious order monitoring policies
23 and procedures?
24 A. At the time when I took over the team,

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1 no, but it is now.
2 Q. That is another gap that Pharmaceutical
3 Integrity closed after it got started, correct?
4 A. After we were made aware, yes.
5 Q. Are you familiar with the term of art
6 within Walgreens "interstoring"?
7 A. Yes.
8 Q. And interstoring is when one pharmacy
9 that needed additional Schedule II or Schedule III
10 including oxycodone could go to a nearby Walgreens
11 and take its inventory for sale in its store,
12 correct?
13 A. Yes.
14 Q. Now, interstoring was another gap that
15 was identified by Pharmaceutical Integrity in early
16 2013 that was ultimately closed, correct?
17 A. I wouldn't use the term "gap" in
18 terms -- when you say the gap that way, the way I'm
19 interpreting the way you're asking the question is
20 that nobody had any oversight over interstores.
21 There were policies in place around
22 controlled substance invoicing -- I mean
23 interstoring where it had to go through the
24 leadership. So, the leadership knew that it was

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1 happening, but my team did not have visibility and
2 so therefore we closed that.

3 Q. The -- you would agree with me that the
4 federal code and regs require every registrant such
5 as Walgreens to design a system to identify
6 suspicious orders, correct?

7 A. Yes.

8 Q. And that the -- we went over this this
9 morning. The foundation of Walgreens' suspicious
10 order monitoring policy and procedure was the
11 Bancroft algorithm, correct?

12 A. Yes.

13 Q. And if one pharmacy interstores
14 oxycodone from another Walgreens pharmacy, that
15 interstoring, Oxy coming from one Walgreens to
16 another, is not run through Walgreens' suspicious
17 order monitoring policy and the Bancroft algorithm,
18 correct?

19 MR. HOUTZ: Object to form.

20 BY THE WITNESS:

21 A. Yes, that's right.

22 BY MR. MOUGEY:

23 Q. So, when I use the term "gap," I mean
24 that Walgreens' system that was designed to

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1 identify suspicious orders, the foundation of which
2 is the Bancroft algorithm, that's what I'm
3 referring to as a gap. Okay?

4 A. I understand what you're saying, but
5 there is more than just what you're saying or
6 implying to the actual system. So, ultimately the
7 quantity that was interstored is added to the
8 store's inventory, which is part of the algorithm.
9 So, it's not that it never got considered. It just
10 didn't get run through the system in the beginning
11 and -- but they still had oversight. Leadership
12 knew about it.

13 Q. Just not Pharmaceutical Integrity?

14 A. My team did not, correct.

15 Q. And your team was the team designed, put
16 together and implemented to oversee the suspicious
17 order monitoring policies and procedures at
18 Walgreens, correct?

19 A. Exactly, which is why we now do not
20 allow interstores of controlled substances.

21 Q. And interstoring of controlled
22 substances was shut down, gap closed, in 2013,
23 correct?

24 A. Yes.

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1 Q. Are you aware that stores could be
2 removed from Walgreens' suspicious order monitoring
3 policies if there was a functional reason for them
4 not to be reviewed by Pharmaceutical Integrity?

5 A. We had the ability to turn on and off
6 certain NDC numbers, but I don't know about a
7 specific store entirely.

8 Q. I hand you P-WAG-1733. I hand you what
9 we will mark as Polster 20.

10 MR. MOUGEY: 19? I'm sorry. Thank you.
11 Polster 19.

12 (WHEREUPON, a certain document was
13 marked as Walgreens-Polster Exhibit
14 No. 19: 8/26/09 Project Request
15 Estimate; WAGMDL00492067 -
16 00492069.)

17 BY MR. MOUGEY:

18 Q. August 26, 2009, prior to Pharmaceutical
19 Integrity.

20 The bottom of the first paragraph under
21 "Description," "Rx Services will have the ability
22 to remove items from the order limitation process
23 or to remove an entire store from the order limit
24 program for a limited amount of time."

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1 Do you agree that that is a potential
2 gap in Walgreens' suspicious order monitoring
3 policies and procedures?

4 A. Not necessarily. You don't have enough
5 information to know whether or not it's a gap.

6 Q. So, taking a store out of the suspicious
7 order monitoring policy, you don't believe that's a
8 gap?

9 A. You have to understand why the store was
10 taken off. As I mentioned before, if you have a
11 brand-new store that has no order history, brand
12 new, just opened, you have no information on that,
13 because the whole algorithm is working on previous
14 data, and so if there is no sales at all and then
15 all of a sudden there is product that comes in, you
16 have to be able to generate orders. If it's
17 generating on zeros, then no orders are going to
18 generate.

19 Q. So, the answer is to take it off of the
20 system and is there a policy and procedure in place
21 for how long they should stay off the system?

22 A. I was not around for this time, but it
23 says right here for a limited amount of time. So,
24 there must have been something, but I'm not aware.

<p style="text-align: right;">Page 262</p> <p>1 Q. And are you aware -- I mean, when you</p> <p>2 were at Pharmaceutical Integrity, did you have</p> <p>3 stores that were off the system?</p> <p>4 A. We had stores that we had switched to</p> <p>5 tracking, not off the system, but switched to</p> <p>6 tracking to watch to make sure that, you know, the</p> <p>7 orders made sense when they were brand-new stores.</p> <p>8 Q. And how long -- did you have policies</p> <p>9 and procedures --</p> <p>10 A. Yeah, we --</p> <p>11 Q. Let me finish the question, please.</p> <p>12 A. Sorry.</p> <p>13 Q. Did you have policies and procedures in</p> <p>14 place of how long a store should remain on</p> <p>15 tracking?</p> <p>16 A. Yes, we had them in place.</p> <p>17 Q. And where were they?</p> <p>18 A. Where were what?</p> <p>19 Q. Where were the policies and procedures</p> <p>20 of how long a store can stay on tracking?</p> <p>21 A. The team had them. I don't know if it's</p> <p>22 on the shared drive. But I know we spoke about it.</p> <p>23 I know we put quantity time -- sorry -- time limits</p> <p>24 in place. But I don't know where the documents</p>	<p style="text-align: right;">Page 264</p> <p>1 A. Yes.</p> <p>2 Q. Was he an analyst or one of the</p> <p>3 managers?</p> <p>4 A. Analyst.</p> <p>5 Q. I hand you what we are going to mark as</p> <p>6 Polster 20, Bates No. 113808.</p> <p>7 (WHEREUPON, a certain document was</p> <p>8 marked as Walgreens-Polster Exhibit</p> <p>9 No. 20: 11/5/12 e-mail string;</p> <p>10 WAGMDL00113808 - 00113810.)</p> <p>11 BY MR. MOUGEY:</p> <p>12 Q. Let's start at the top of this e-mail</p> <p>13 dated 11/5/2012 from Murray Jr. Denman. Did I read</p> <p>14 that right?</p> <p>15 A. Yes.</p> <p>16 Q. All right. And it's to you, correct?</p> <p>17 A. Yes.</p> <p>18 Q. And Mr. Murray is from inventory</p> <p>19 management drugstores, correct?</p> <p>20 A. Yes.</p> <p>21 Q. And he relays to you -- and this is very</p> <p>22 fresh when you're on the task force for controlled</p> <p>23 substances at Walgreens, correct?</p> <p>24 A. That's right.</p>
<p style="text-align: right;">Page 263</p> <p>1 are.</p> <p>2 Q. Was there criteria -- have you actually</p> <p>3 seen the policies and procedures that you think</p> <p>4 might be on the shared drive about how long a store</p> <p>5 can stay on tracking?</p> <p>6 A. I don't remember seeing the actual</p> <p>7 document. I remember talking about it in meetings</p> <p>8 to train my team on what we need to do.</p> <p>9 Q. But you don't recall seeing an actual</p> <p>10 document?</p> <p>11 A. I never went to the shared drive.</p> <p>12 Q. Or any policies or procedures at all</p> <p>13 about how long a store can stay on tracking?</p> <p>14 A. Correct.</p> <p>15 Q. Do you know who Michael Federico is?</p> <p>16 A. I would have to see his signature title.</p> <p>17 Q. District 293, pharmacy supervisor in</p> <p>18 Modesto and East Bay. Does that ring a bell?</p> <p>19 A. Yeah. Yes.</p> <p>20 Q. Modesto was kind of -- that was an area</p> <p>21 that was on you all's radar?</p> <p>22 A. That I don't know. Sorry.</p> <p>23 Q. Steven Mills is a member of your group,</p> <p>24 right?</p>	<p style="text-align: right;">Page 265</p> <p>1 Q. Right as Pharmaceutical Integrity is</p> <p>2 being developed, correct?</p> <p>3 A. That's correct.</p> <p>4 Q. And he relays to you, GFD, which stands</p> <p>5 for good faith dispensing, correct?</p> <p>6 A. Yes.</p> <p>7 Q. "For store 2865 in Modesto, California.</p> <p>8 Let me know if I am overstepping my boundaries by</p> <p>9 suggesting this course of action. I am trying to</p> <p>10 keep some of the burden off of your shoulders until</p> <p>11 you deem ready. We'll also need to discuss my</p> <p>12 team's role in assisting your people. No need to</p> <p>13 rush that now, I am comfortable being point for</p> <p>14 Cardinal."</p> <p>15 Do you see that?</p> <p>16 A. Yes.</p> <p>17 MS. FIX MEYER: Objection; form.</p> <p>18 BY MR. MOUGEY:</p> <p>19 Q. So, late 2012, Walgreens has an</p> <p>20 exclusive contract with Cardinal for distribution</p> <p>21 services, correct?</p> <p>22 MR. HOUTZ: Objection; foundation.</p> <p>23 MS. FIX MEYER: Same objection.</p> <p>24 BY THE WITNESS:</p>

<p style="text-align: right;">Page 266</p> <p>1 A. I don't know if it was exclusive.</p> <p>2 BY MR. MOUGEY:</p> <p>3 Q. How about this. Are you aware that</p> <p>4 Walgreens was in a contractual agreement with</p> <p>5 Walgreens -- I'm sorry -- with Cardinal for</p> <p>6 distribution services?</p> <p>7 A. Yes.</p> <p>8 Q. And let's continue down the e-mail that</p> <p>9 Mr. Mills and yourself sent, the e-mail from</p> <p>10 Mr. Denman, and he says, "Steve, is this store</p> <p>11 still on the SOM report?"</p> <p>12 That's suspicious order monitoring,</p> <p>13 correct?</p> <p>14 A. Yes.</p> <p>15 Q. "If so, share with Cardinal, but crop</p> <p>16 out the last two paragraphs."</p> <p>17 Do you see that?</p> <p>18 A. Yeah.</p> <p>19 Q. Now, Cardinal is also a distributor,</p> <p>20 correct?</p> <p>21 A. Yes.</p> <p>22 MS. FIX MEYER: Objection; foundation.</p> <p>23 BY MR. MOUGEY:</p> <p>24 Q. Cardinal as a distributor has similar</p>	<p style="text-align: right;">Page 268</p> <p>1 2865 and he's relaying to Mr. Murray, and let's</p> <p>2 start under "GFD - Patient ID."</p> <p>3 A. Okay.</p> <p>4 Q. He relays that all C-II scripts were</p> <p>5 audited and they had patient addresses written on</p> <p>6 the hard copy as well as the name, phone number and</p> <p>7 DOB. Did I get all that?</p> <p>8 A. Yes.</p> <p>9 Q. If you read the rest of that paragraph,</p> <p>10 he is passing along that everything appears to be</p> <p>11 in compliance, correct?</p> <p>12 A. Yes.</p> <p>13 Q. And if you go to the next paragraph,</p> <p>14 "GFD - Prescriber," "Prescriber DEA and state</p> <p>15 license number were on 100% of the scripts audited.</p> <p>16 Prescriptions written by out of town prescribers</p> <p>17 are called on for diagnosis and general</p> <p>18 validation."</p> <p>19 Did I read that right?</p> <p>20 A. Yes.</p> <p>21 Q. And just take your time to review the</p> <p>22 rest of that paragraph. And similar to the first</p> <p>23 paragraph, Mr. Federico was passing along to</p> <p>24 Mr. Murray that everything appears in order for the</p>
<p style="text-align: right;">Page 267</p> <p>1 obligations and responsibilities to Walgreens,</p> <p>2 correct?</p> <p>3 MR. HOUTZ: Object to form and foundation.</p> <p>4 MS. FIX MEYER: Objection; form.</p> <p>5 BY THE WITNESS:</p> <p>6 A. The DEA regulations apply to all</p> <p>7 distribution centers.</p> <p>8 BY MR. MOUGEY:</p> <p>9 Q. The last sentence says, "Tasha can</p> <p>10 consult prn." What does prn stand for?</p> <p>11 A. As needed.</p> <p>12 Q. Pardon me?</p> <p>13 A. As needed.</p> <p>14 Q. Okay. Now, if you turn to the next two</p> <p>15 pages of this document, Bates No. 09 and 10, and</p> <p>16 Michael Federico is relaying his findings about</p> <p>17 visiting store 2865, correct?</p> <p>18 A. Yeah.</p> <p>19 Q. And let's just walk through each one of</p> <p>20 these. I forgot to ask you this. I apologize.</p> <p>21 Mr. Murray, what's his title?</p> <p>22 A. He's director of pharmacy inventory.</p> <p>23 Q. Okay. And, so, Michael Federico who is</p> <p>24 the district pharmacy supervisor has visited store</p>	<p style="text-align: right;">Page 269</p> <p>1 GFD-prescriber, correct?</p> <p>2 A. Yes.</p> <p>3 Q. The next section, "GFD - PDMP," that's</p> <p>4 the state monitoring prescription system, correct?</p> <p>5 A. Yes.</p> <p>6 Q. And "Pharmacy Manager uses PDMP system</p> <p>7 extensively to verify out of town scripts, new</p> <p>8 patients and cash scripts."</p> <p>9 Similar to the first two paragraphs, he</p> <p>10 is passing along to Mr. Murray that everything</p> <p>11 is -- seems to be in order, right?</p> <p>12 A. Yes.</p> <p>13 Q. And then the next section,</p> <p>14 "GFD - Documentation," similar to the first three</p> <p>15 paragraphs, he is relaying that the documentation</p> <p>16 is in order, correct?</p> <p>17 A. Yes.</p> <p>18 Q. The next section, "GFD - Notification of</p> <p>19 the DEA." "The store is maintaining a log of all</p> <p>20 scripts sent to the DEA. They do have scripts they</p> <p>21 have sent in as well as an explanation of what was</p> <p>22 sent."</p> <p>23 And just as the previous few paragraphs,</p> <p>24 Mr. Federico is passing along to Mr. Murray that</p>

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1 GFD, good faith dispensing, notification of the
 2 DEA, that that's in order, correct?
 3 A. Yes.
 4 Q. Now, the second-to-last paragraph, "This
 5 store's average movement."
 6 Do you see where I am?
 7 A. Where in the paragraph does it say
 8 "average movement"? Sorry.
 9 Q. It's okay. It's the very first sentence
 10 of the second-to-last paragraph.
 11 A. Oh, I'm sorry. I was up here. I look
 12 at that as a sentence, not a paragraph down there.
 13 So...
 14 Q. "This store's average movement on
 15 hydro," has the strength and the combo product, "is
 16 17,500 tabs," and that's essentially tablets or
 17 dosage units, right?
 18 A. Yes.
 19 Q. "A week put them over the corporate
 20 limit." And that would be Walgreens' corporate
 21 limit, correct?
 22 A. Yes.
 23 Q. "This changed their ordering habits with
 24 Cardinal, which then led to an SOM with them."

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1 SOM, suspicious order monitoring,
 2 correct?
 3 A. Yes.
 4 Q. "I submitted a report which was approved
 5 by WAG but denied by Cardinal. As such, this
 6 location has had a large increase in interstores."
 7 And interstores is what you and I were
 8 discussing earlier as a potential gap that if a --
 9 one Walgreens store needed oxycodone, hydrocodone,
 10 it could simply interstore from a store down the
 11 street, correct?
 12 A. Yes. But not without leadership
 13 approval.
 14 Q. When you say "leadership," who was
 15 leadership?
 16 A. It would have been Michael.
 17 Q. And Michael is where, in which
 18 department?
 19 A. Michael -- he is the guy who wrote the
 20 e-mail.
 21 Q. "This increase" -- but not from your
 22 department that's charged with suspicious order
 23 monitoring, right?
 24 A. Right.

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1 Q. "This increase in interstores has led to
 2 short supplies at other locations in town."
 3 Do you see that?
 4 A. Yes.
 5 Q. "We need to get Cardinal back on
 6 shipping this location additional controls."
 7 Correct?
 8 A. That's what it says.
 9 Q. Now, let's go back to Mr. Denman's
 10 e-mail to Mr. Mills copied to you at the bottom of
 11 that -- of the first page, Bates No. 08. Okay?
 12 Are you there with me?
 13 A. Yes, yes.
 14 Q. He says, "Is this store still on the SOM
 15 report? If so, share with Cardinal, but crop out
 16 the last two paragraphs."
 17 So, Walgreens has information that this
 18 store is moving 17,500 tabs a week. Do the math
 19 with me. 4 times 17-5 is 70,000. Do I have that
 20 right?
 21 A. Yes.
 22 Q. 70,000 tabs a month dosage units of
 23 hydrocodone; and hydrocodone, Schedule III that
 24 ultimately was Schedule II, correct?

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1 A. Yes.
 2 Q. And he is relaying that this store is --
 3 this pharmacy is interstoring to the point where it
 4 is causing other stores to be out of supply,
 5 correct?
 6 A. Yes.
 7 Q. And he suggests the way to fix this is
 8 to get Cardinal back shipping to this location
 9 again, correct?
 10 A. The way I am reading it is that he is
 11 asking we've got to get this information to
 12 Cardinal so that they have whatever they need for
 13 their due diligence so they resume shipping.
 14 Q. But he says cut out the paragraph where
 15 he relays that they're interstoring, correct?
 16 A. Yes.
 17 Q. So, Cardinal, when it's making its
 18 decision of whether or not to ship because it's
 19 suspicious, he is saying cut that information out
 20 and keep Cardinal in the dark, correct?
 21 MR. HOUTZ: Object to form and foundation.
 22 BY THE WITNESS:
 23 A. I -- I don't know.
 24 BY MR. MOUGEY:

<p style="text-align: right;">Page 274</p> <p>1 Q. By not telling Cardinal that they're 2 interstoring, he's keeping Cardinal in the dark 3 about that fact, is he not? 4 A. I don't know what he meant by that, but 5 I don't see where it's Walgreens' place or his 6 place to tell Cardinal to get back shipping on this 7 location to add controls. 8 That's Cardinal's responsibility and 9 their decision as to whether or not they will ship 10 or not ship based on the information that we can 11 give them. 12 Q. And Walgreens through Mr. Federico is 13 consciously making the decision to cut out 14 important information like interstoring when 15 relaying the results of his visit to Store 2865, 16 correct? 17 MR. HOUTZ: Object to form, mischaracterizes. 18 BY THE WITNESS: 19 A. He's saying to cut out the paragraph, 20 yes. 21 BY MR. MOUGEY: 22 Q. Yes, ma'am. And keep Cardinal in the 23 dark about the interstoring, correct? 24 MR. HOUTZ: Object to form.</p>	<p style="text-align: right;">Page 276</p> <p>1 Q. You're right. Thank you. 2 Mr. Murray said cut out the last 3 paragraph and keep Cardinal in the dark about the 4 interstoring, correct? 5 A. Nowhere does it say to keep Cardinal in 6 the dark. 7 Q. By cutting out that last paragraph, 8 Cardinal would not have the ability to see the 9 interstoring, correct? 10 MR. HOUTZ: Object on foundation. 11 BY THE WITNESS: 12 A. I don't know. 13 BY MR. MOUGEY: 14 Q. You don't know. You don't know what 15 Cardinal's visibility is? 16 A. I don't. 17 Q. Can you see what CVS is distributing to 18 its own pharmacies? 19 A. No. 20 Q. Can you see what Cardinal is 21 distributing to CVS? 22 A. No. 23 Q. Do you think that Cardinal can see what 24 this store is interstoring?</p>
<p style="text-align: right;">Page 275</p> <p>1 BY THE WITNESS: 2 A. He is saying to cut out the paragraph. 3 BY MR. MOUGEY: 4 Q. Yes, ma'am. And keep Cardinal in the 5 dark about the interstoring, correct? 6 A. I don't think it's keeping Cardinal in 7 the dark. 8 Q. Cardinal -- 9 A. It's keeping Cardinal, you know -- it's 10 not our place to tell Cardinal to start shipping 11 again. 12 Q. I'm not asking you if it's your place. 13 A. I don't agree with you. 14 Q. What I'm asking you, Ms. Polster, is 15 that Mr. Federico made a conscious decision to 16 exclude material information to Cardinal about this 17 store interstoring from other Walgreens pharmacies, 18 correct? 19 A. It wasn't -- 20 MR. HOUTZ: Object to form. 21 BY THE WITNESS: 22 A. It wasn't Michael that said to do it. 23 So, no. 24 BY MR. MOUGEY:</p>	<p style="text-align: right;">Page 277</p> <p>1 A. I don't -- I don't know what they can 2 see and what they can't see. 3 Q. But you think it's entirely appropriate, 4 based on your 36 years at Walgreens starting from 5 when you were in high school until sitting here 6 today, this is the Walgreens you know that says cut 7 out the paragraph about interstoring when telling 8 Cardinal that everything is A-okay from the 9 previous paragraphs? 10 MR. HOUTZ: Object to form. 11 BY THE WITNESS: 12 A. I don't agree that we are saying 13 everything is A-okay. I think we're documenting 14 that they went in and they did their due diligence 15 so Cardinal could have information. 16 Cardinal had every right to go into any 17 store they wanted to go into and audit it and 18 investigate it and, in fact, actually did make site 19 visits. 20 BY MR. MOUGEY: 21 Q. Find me one thing, one -- one sentence 22 in this letter, this e-mail that is negative about 23 Store 2865 other than the paragraphs that were 24 being cut out?</p>

<p style="text-align: right;">Page 278</p> <p>1 A. I don't even agree that the paragraph 2 that's getting cut out is negative. What I'm 3 seeing is that the paragraph that was cut out was, 4 hey, we're telling Cardinal we need to get them 5 back on shipping controls. That is not our place 6 to do that.</p> <p>7 Q. I have not asked you whether it's your 8 place to tell Cardinal to ship or not. What I'm 9 suggesting and what I'm asking, and I think I'm 10 getting a partial answer, is: Is it appropriate to 11 take out information that Walgreens knows that a 12 store moving 75 -- 70,000 dosage units a month of 13 just hydrocodone and some of that volume is coming 14 from interstoring, getting it from other stores, is 15 that appropriate?</p> <p>16 A. I don't --</p> <p>17 MR. HOUTZ: Object to form.</p> <p>18 BY THE WITNESS:</p> <p>19 A. You have to know the store and the area 20 and what is around it and is there a surgical 21 center, is there a hospice center. That's why we 22 have store leaders on the ground.</p> <p>23 BY MR. MOUGEY:</p> <p>24 Q. I didn't ask you --</p>	<p style="text-align: right;">Page 280</p> <p>1 MR. HOUTZ: Reading the draft transcript, she 2 had an answer, "I don't -- you have to know the 3 store and the area and what is around it and is 4 there a surgical center, is there a hospice center. 5 That's why we have store leaders on the ground." 6 You then said, "I didn't ask you --" 7 At which point I asked her -- I asked 8 you to let her finish her answer and she started to 9 say, "That's why they are allow --" 10 I don't know where the rest of that 11 answer was going. But if you have anything more to 12 say, say it.</p> <p>13 BY THE WITNESS:</p> <p>14 A. So, that's why we had the store leaders 15 involved and they had to know about any interstore 16 of a controlled substance so that they could 17 determine if there was an issue that they could -- 18 they could -- I'm sorry. I just lost my train of 19 thought. But that they could get my team involved 20 so that we could help investigate it, make 21 determinations of quantity limits, et cetera.</p> <p>22 BY MR. MOUGEY:</p> <p>23 Q. Is part of your investigation that's 24 important whether or not a store is interstoring?</p>
<p style="text-align: right;">Page 279</p> <p>1 A. That's why they are aware --</p> <p>2 MR. HOUTZ: Allow her to finish.</p> <p>3 MR. MOUGEY: Relax, Les. Relax. Every time 4 I --</p> <p>5 MR. HOUTZ: Let her finish an answer.</p> <p>6 MR. MOUGEY: Every time -- there hasn't been 7 an issue all day today about anybody interrupting 8 anybody. If she has an answer, I've stopped. So 9 just relax. So --</p> <p>10 MR. HOUTZ: Well --</p> <p>11 MR. MOUGEY: Go ahead, Les. What do you want 12 to do now?</p> <p>13 MR. HOUTZ: I would like her to have your 14 question and her answer read back to the point 15 where you interrupted her so she can determine if 16 she has anything more to say in response to the 17 question.</p> <p>18 MR. MOUGEY: Why don't you read it back for 19 her, Les. If you want her to read it back, go 20 ahead and read Ms. Polster the question and let's 21 find out if her answer -- I didn't even get an 22 answer to the question.</p> <p>23 MR. HOUTZ: I will be happy to do that.</p> <p>24 MR. MOUGEY: Thank you, Les.</p>	<p style="text-align: right;">Page 281</p> <p>1 A. Part of our investigation is the total 2 quantities that goes into the store. We ultimately 3 shut down, as you know, the interstore because it 4 did muddy the waters and -- but we ultimately 5 always knew the total quantity that went into a 6 location.</p> <p>7 Q. So, the answer to my question is yes, it 8 is important to know the quantity that a store is 9 interstoring, correct?</p> <p>10 A. It's -- it's important for my team to 11 know.</p> <p>12 Q. I understand. So, the answer to my 13 question is yes, it's important for your team 14 that's charged with implementing Walgreens' 15 suspicious order monitoring policies to know 16 whether or not a store is interstoring, correct?</p> <p>17 A. It's important for my team, yes.</p> <p>18 Q. Yes, ma'am. So, the question I asked 19 you about three questions ago was: Is it 20 appropriate to take out information that Walgreens 21 knows about a store interstoring when passing along 22 the results of an analysis from a store visit?</p> <p>23 MR. HOUTZ: Object to form.</p> <p>24 BY THE WITNESS:</p>

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1 A. When passing along to whom?
 2 BY MR. MOUGEY:
 3 Q. Cardinal in the context of this e-mail.
 4 A. I don't know what Cardinal used to
 5 determine whether or not a store was allowed or not
 6 allowed to get controlled substance shipped to
 7 them.
 8 Q. I didn't ask you that. Okay. I didn't
 9 ask you what Cardinal.
 10 I said do you think it's appropriate
 11 based on your 36 years at Walgreens, you running
 12 Pharmaceutical Integrity, is it appropriate for
 13 Walgreens to cut out information about a store
 14 that's moving 70,000 dosage units of hydrocodone a
 15 month that it's interstoring when passing along the
 16 results of a store visit to Cardinal?
 17 MR. HOUTZ: Object to form, asked and
 18 answered.
 19 BY THE WITNESS:
 20 A. You have to know the entire picture of
 21 the store. You have to understand why they would
 22 need that quantity. What's the business model
 23 happening at that particular location because every
 24 store is different.

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1 BY MR. MOUGEY:
 2 Q. I didn't ask you if the 70,000 dosage
 3 units were appropriate. I didn't ask you to enter
 4 an edict about whether or not what the store was
 5 doing was okay.
 6 What I've now asked about four or five
 7 times and you have yet to answer: Is it
 8 appropriate based on your perspective for Walgreens
 9 to cut out information about a store audit when
 10 it's moving 70,000 dosage units of hydrocodone a
 11 month --
 12 MR. HOUTZ: Object to form.
 13 BY MR. MOUGEY:
 14 Q. -- that it is interstoring?
 15 A. I don't know what Cardinal would need to
 16 know whether or not it's appropriate or not
 17 appropriate.
 18 Q. You and I are talking past each other.
 19 I'm not asking you what Cardinal thinks, what
 20 Cardinal wants.
 21 Would you want to know in your analysis
 22 on this store that's moving 70,000 dosage units a
 23 month, that it is receiving its inventory via
 24 interstoring? Would you want to know?

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1 A. But I did know.
 2 Q. So, the answer to my question is, "Yes,
 3 I would like to know"?
 4 A. My team found out when the order
 5 quantity gets posted, it gets added to the ultimate
 6 inventory into that location.
 7 Q. Yet when passing along the results of
 8 the store audit, Walgreens cut the interstoring
 9 information out when passing it along to Cardinal
 10 to ensure that we could get Cardinal back on
 11 shipping to this location, correct?
 12 MR. HOUTZ: Object.
 13 BY THE WITNESS:
 14 A. I don't --
 15 THE WITNESS: Sorry.
 16 MR. HOUTZ: Object to form and foundation.
 17 BY THE WITNESS:
 18 A. I don't agree with that.
 19 BY MR. MOUGEY:
 20 Q. Is the fact the store is
 21 intersourcing -- I'm sorry -- interstoring a
 22 positive or negative to you?
 23 A. They're taking care of the patients.
 24 MR. HOUTZ: Peter, can we take a quick break

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1 now?
 2 MR. MOUGEY: Sure. Do you want to get me an
 3 answer from upstairs on whether or not -- I've been
 4 asking for five days.
 5 MR. HOUTZ: Downstairs.
 6 MR. MOUGEY: Downstairs, upstairs, wherever.
 7 MR. HOUTZ: I will ask the question.
 8 MR. MOUGEY: Thank you.
 9 THE VIDEOGRAPHER: We are off the record at
 10 4:17 p.m.
 11 (WHEREUPON, a recess was had
 12 from 4:17 to 4:37 p.m.)
 13 THE VIDEOGRAPHER: We are back on the record
 14 at 4:37 p.m.
 15 BY MR. MOUGEY:
 16 Q. Ms. Polster, I'm going to hand you what
 17 we've marked as Polster 21.
 18 (WHEREUPON, a certain document was
 19 marked as Walgreens-Polster Exhibit
 20 No. 21: 9/28/12 e-mail with
 21 attachment; WAGMDL00113816 -
 22 00113820.)
 23 BY MR. MOUGEY:
 24 Q. You're familiar with Walgreens' Focus on

<p style="text-align: right;">Page 286</p> <p>1 Profit initiative, correct?</p> <p>2 A. Focus on Compliance?</p> <p>3 Q. No. I think I said Focus on Profit.</p> <p>4 A. I don't know what that is.</p> <p>5 Q. You never heard of that?</p> <p>6 A. No.</p> <p>7 Q. So, you're not familiar with Walgreens'</p> <p>8 Focus on Profit that morphed or changed into Focus</p> <p>9 on Compliance?</p> <p>10 A. No.</p> <p>11 Q. Would you agree with me those are two</p> <p>12 separate things, right, focusing on profit and</p> <p>13 focusing on compliance?</p> <p>14 A. I guess it would -- it would -- you</p> <p>15 would need to give me more context around it. But,</p> <p>16 yeah, the words mean two different things to me.</p> <p>17 Q. Sometimes to do things that are</p> <p>18 compliant with rules and regulations means</p> <p>19 sacrificing some profit on occasion, correct?</p> <p>20 A. Sometimes putting things in place</p> <p>21 does -- like system enhancements or whatever does</p> <p>22 cost money to do that. So, yes.</p> <p>23 Q. But you are familiar with Focus on</p> <p>24 Compliance?</p>	<p style="text-align: right;">Page 288</p> <p>1 A. This looks to me like it's a web form.</p> <p>2 Q. Okay.</p> <p>3 A. And they would click on the link and</p> <p>4 then fill in the -- either the bubble or the free</p> <p>5 form type in the boxes.</p> <p>6 Q. Do you know who at the store was</p> <p>7 required to fill it out?</p> <p>8 A. I haven't -- I don't know. I mean, when</p> <p>9 we send it out, it's generally the pharmacy</p> <p>10 manager.</p> <p>11 Q. Generally the pharmacy manager. And do</p> <p>12 you understand Focus on Compliance, compliance with</p> <p>13 what?</p> <p>14 A. My understanding was loss prevention had</p> <p>15 many Focus on Compliance. So, it depended on what</p> <p>16 the topic was during that -- I can't remember if it</p> <p>17 was quarterly or every other month, they would send</p> <p>18 out a Focus on Compliance and the topics changed.</p> <p>19 Q. Was there always a form for the</p> <p>20 pharmacies to fill out?</p> <p>21 A. As far as I know.</p> <p>22 Q. So, there were different forms that went</p> <p>23 to the pharmacies from loss prevention asking them</p> <p>24 to fill out or gather certain information?</p>
<p style="text-align: right;">Page 287</p> <p>1 A. Yes.</p> <p>2 Q. And what do you understand Focus on</p> <p>3 Compliance was?</p> <p>4 A. I knew that there was a -- I don't even</p> <p>5 know who developed this, but it was a way for us to</p> <p>6 have compliance checks at store level to ensure</p> <p>7 that -- and we would -- the stores would have to</p> <p>8 answer a series of questions, and then we would be</p> <p>9 able to get the aggregated data at the support</p> <p>10 center.</p> <p>11 Q. What was your capacity when you received</p> <p>12 this e-mail from Mike Umbleby in September 28,</p> <p>13 2012?</p> <p>14 A. I was the director of pharmacy</p> <p>15 operations optimization. This is right when the</p> <p>16 task force started.</p> <p>17 Q. Right around the same time period?</p> <p>18 A. Yes.</p> <p>19 Q. And the attachment is titled</p> <p>20 "FOC Survey - June 2012." Right?</p> <p>21 A. Yes.</p> <p>22 Q. So, do you recall how stores would fill</p> <p>23 this out, meaning was it a paper form? Was it</p> <p>24 online where someone filled it out? Was it pdf?</p>	<p style="text-align: right;">Page 289</p> <p>1 A. And it wasn't always pharmacy.</p> <p>2 Sometimes it could have been front of store too.</p> <p>3 Q. Okay. Do you have an independent</p> <p>4 recollection that there was more than one time that</p> <p>5 loss prevention asked pharmacies to fill out or</p> <p>6 pull information in relation to their dispensing</p> <p>7 practices?</p> <p>8 A. We -- I didn't know about this until I</p> <p>9 was on the task force, but since -- since that</p> <p>10 date, I have worked with loss prevention to send</p> <p>11 out Focus on Compliance for different things</p> <p>12 around, you know, controlled substance dispensing,</p> <p>13 following of policies, et cetera.</p> <p>14 Q. Let's walk through this form, if you</p> <p>15 would be so kind.</p> <p>16 So, on Bates No. 113816, and I'm now on</p> <p>17 page 17 of the doc, which is the second page. The</p> <p>18 initial box, "Focus on Compliance, Store</p> <p>19 Information," is just the routine, is this the</p> <p>20 market, the district, the store, the month or the</p> <p>21 date that they visited the store.</p> <p>22 Does that tell you, give you some</p> <p>23 information about who might have filled this out</p> <p>24 when asked to fill it out?</p>

<p style="text-align: right;">Page 290</p> <p>1 A. It might have been the loss prevention 2 manager that filled it out, not the pharmacy 3 manager. 4 Q. So, it asks, "Is this a 24-hour 5 location?" 6 And why is that important, Ms. Polster? 7 A. Generally a 24-hour location was placed 8 near a hospital and so any emergency room patient 9 that was discharged would, you know, likely go to a 10 24-hour pharmacy to get their prescription filled. 11 Q. Now, would that be important information 12 in your job, in Pharmaceutical Integrity, whether 13 it's a 24-hour store, when deciding whether or not 14 Walgreens was fulfilling its responsibilities as a 15 distributor? 16 A. It would -- it would be a consideration. 17 It would make sense as to why the volume was 18 different than a store that was doing 100 19 prescriptions per day. 20 Q. Now, we started off with that Ven 21 diagram, my real fancy diagram, this morning with 22 dispensing and distributor. 23 A. On the yellow piece of paper. 24 Q. Yes exactly. I think it's Exhibit 3?</p>	<p style="text-align: right;">Page 292</p> <p>1 to -- when analyzing dispensing and when analyzing 2 suspicious orders as a distributor, correct? 3 A. Yes. 4 Q. All right. So, one example just might 5 be the simple 24-hour location, correct? 6 A. Yes. 7 Q. Because the next question is the average 8 number of prescriptions filled per day, and the 9 24-hour location gives context, correct? 10 A. Yes. 11 Q. And context both in the dispensing and 12 in the distributor, correct? 13 A. Yes. 14 Q. So, when we are looking at that little 15 circle of diversion, that's just a very elementary 16 example meaning the 24-hour location that could be 17 used for both, right? 18 A. Yes. 19 Q. And I say "both," I mean dispensing and 20 distributor, correct? 21 A. Yes. 22 Q. All right. So, as this goes on, "Please 23 list the hospitals and pain management clinics from 24 which the store routinely receives prescriptions."</p>
<p style="text-align: right;">Page 291</p> <p>1 A. Yes. 2 Q. And that you agreed with me that the 3 diversion circle overlapped with both dispensing 4 and distributor, correct? 5 A. Yes. 6 Q. And you'd agree that often information 7 could be used by Pharmaceutical Integrity with -- 8 to ensure that Walgreens is complying with its 9 dispensing obligations, correct? 10 A. I didn't understand your question. 11 Q. Information that you use in this circle 12 with the pharmacy, that was information that you 13 used to ensure that Walgreens was complying with 14 its dispensing obligations -- 15 A. Yes. 16 Q. -- correct? 17 A. Yes. 18 Q. And often that same information could 19 also be used if -- when analyzing whether or not 20 Walgreens as a distributor was complying with its 21 obligations under the federal code and regs, 22 correct? 23 A. Yes. 24 Q. So, often that information could be used</p>	<p style="text-align: right;">Page 293</p> <p>1 And would your answer be the same under 2 5 that that's information that could be used for 3 both dispensing and distributor responsibilities? 4 A. Yes. 5 Q. And No. 6, "What are the names and DEA 6 numbers of the top 3 prescribers of controlled 7 substance medications for this store?" 8 And that also was information that you 9 would use in Pharmaceutical Integrity to analyze 10 both dispensing and distributor, correct? 11 A. Yes. 12 Q. And 7, "Is the pharmacist aware of any 13 increase in pain management prescriptions coming 14 into the store?" 15 And that answer would also be helpful 16 when analyzing Walgreens' responsibility as both a 17 dispenser and a distributor, right? 18 A. Yes. 19 Q. 8, "When a prescriber is contacted 20 regarding a pain management prescription, is the 21 interaction annotated in IntercomPlus or documented 22 on the prescription hard copy?" 23 That too, No. 8, is information that 24 would be helpful for both dispensing and</p>

<p style="text-align: right;">Page 294</p> <p>1 distributing from a Pharmaceutical Integrity 2 perspective, correct? 3 A. Yes. 4 Q. All right. 9, "Has the pharmacist seen 5 a lot of pain management prescriptions from 6 prescribers who practice in a different state?" 7 Same answer, right? That information is 8 helpful in analyzing Walgreens' responsibilities as 9 a dispenser and as a distributor, correct? 10 A. Yes. 11 Q. No. 10, "Has the pharmacist seen a lot 12 of patients with pain management prescriptions who 13 reside in a different state?" 14 And that just like the previous 9, 15 helpful for both analyzing Walgreens as a dispenser 16 and Walgreens as a distributor, correct? 17 A. Yes. 18 Q. So, the next, No. 11, "Access the 19 52-week report in LPxRx report in LPD." 20 So, can you help me with what those 21 acronyms stand for? 22 A. Sure. The LPD is the loss prevention 23 dashboard. 24 The LPxRx, I don't know what LP -- I</p>	<p style="text-align: right;">Page 296</p> <p>1 Q. Just negative adjustments? 2 A. That's all I recall. 3 Q. Okay. 4 A. From the version I used. 5 Q. Yes, ma'am. Now, there were different 6 versions? 7 A. (Nodding head.) 8 Q. Could you opt in? How did you know 9 there were different versions? 10 A. I just know over the course of the years 11 they moved things or, you know, added more 12 information. But when I used it, it was strictly 13 negative adjustments. 14 Q. Do you believe that loss prevention had 15 a role in Walgreens' suspicious order monitoring 16 policies prior to Pharmaceutical Integrity? 17 A. I don't know. 18 Q. You don't know? 19 A. Uh-uh. 20 Q. Did -- when you came in, you kind of 21 analyzed who was doing what, right? 22 A. They were part of the meetings. 23 Q. Right. 24 A. But I didn't know what their exact role</p>
<p style="text-align: right;">Page 295</p> <p>1 don't know what the Px stands for, but the premise 2 of the report showed the pharmacy manager or store 3 leadership, whether it was the store manager or the 4 loss prevention manager, if there was any drug that 5 had excessive negative adjustments which would need 6 to be looked into and investigated at store level. 7 Q. And when you say "the loss prevention 8 dashboard," how are you familiar with the loss 9 prevention dashboard? 10 A. Right when I was leaving field 11 leadership, it was just starting to come out or 12 version 1 was starting to come out and so I used it 13 as a tool when I had stores to supervise. 14 Q. Tell me, when you say "a tool," what 15 kind of tools were on there that you used? 16 A. So, it would show controlled substances 17 and whether or not they were negative adjusted. 18 So, it would give -- give me where to look to see 19 if it didn't -- if those negative adjustments 20 didn't make sense or whatever was going on, that we 21 could investigate it further. 22 Q. Okay. Any other things that you -- 23 information you can remember on the LP dashboard? 24 A. No.</p>	<p style="text-align: right;">Page 297</p> <p>1 was. 2 Q. But did you ask them, "What have you 3 guys been doing for" -- 4 A. I didn't. 5 Q. You don't remember that being discussed 6 at all? 7 A. I got to tell you, man, we just rolled 8 up our sleeves and got busy. I did not ask what 9 exactly they were doing. 10 Q. All right. No. 12 -- I'm sorry. We are 11 still on 11, "Does oxycodone 15 milligram or Oxy 12 30 milligram appear on the LxRx report?" (As read.) 13 And the -- I apologize. I was trying to 14 follow you. But the LxRx (sic), was that something 15 different than negative adjustments? 16 A. That would be the report that showed up 17 on the dashboard that would show the negative 18 adjustments. 19 Q. Okay. And, again, that information, 20 similar to the previous ten, would be helpful from 21 both a dispensing and a distributor analysis, 22 correct? 23 A. Yes. 24 Q. All right. So then 12. What's WIC</p>

<p style="text-align: right;">Page 298</p> <p>1 stand for?</p> <p>2 A. Walgreens item code.</p> <p>3 Q. Okay. "Click on the Walgreens item code</p> <p>4 to view the 52-week information on the bottom of</p> <p>5 the screen. Please enter the total 52-week net</p> <p>6 adjustments and overbuys for oxycodone 15 milligram</p> <p>7 and oxycodone 30 milligram (using (-) to indicate a</p> <p>8 negative adjustment)."</p> <p>9 Correct?</p> <p>10 A. Yes.</p> <p>11 Q. And -- now, bear with me here.</p> <p>12 The WIC where you click on it, was that</p> <p>13 a link?</p> <p>14 A. Yes.</p> <p>15 Q. Was it common when -- at Walgreens that</p> <p>16 if you wanted to look at data or look at charts or</p> <p>17 graphs, that there were links that you went to?</p> <p>18 A. If you were on a dashboard that we</p> <p>19 were -- that we built at the support center, we</p> <p>20 tried to take work out of the store so if they</p> <p>21 wanted to see something, they could click on a link</p> <p>22 and drill in further versus having to manually type</p> <p>23 out the ten digits of the NDC number or the</p> <p>24 six-digit Walgreens item code.</p>	<p style="text-align: right;">Page 300</p> <p>1 information compiled, you might ask for someone to</p> <p>2 send you a chart or a graph or a report comprised</p> <p>3 of the underlying data. Is that fair?</p> <p>4 A. The only other way that I knew how to</p> <p>5 get to the data that you're referencing is the</p> <p>6 52-week item movement which you could go into SIMS</p> <p>7 to look at.</p> <p>8 Q. I'm just -- I'm just -- I'm very</p> <p>9 30,000-foot.</p> <p>10 A. Okay.</p> <p>11 Q. I'm not asking about anything specific.</p> <p>12 A. Okay.</p> <p>13 Q. I'm just trying to understand --</p> <p>14 A. Yeah.</p> <p>15 Q. -- how you gathered information if you</p> <p>16 wanted to look at something. Not in the context of</p> <p>17 12, but just generally.</p> <p>18 A. So, at store level.</p> <p>19 Q. Right.</p> <p>20 A. There was a dashboard that had various</p> <p>21 KPIs and this was one of them.</p> <p>22 Q. Okay.</p> <p>23 A. One of the KPIs.</p> <p>24 Q. And KPI is again?</p>
<p style="text-align: right;">Page 299</p> <p>1 Q. So, there were -- you also got reports</p> <p>2 that you asked for, right? Maybe it was just</p> <p>3 combining data or looking at charts or graphs or</p> <p>4 something along those lines, right?</p> <p>5 A. When you say "you," you mean the store</p> <p>6 personnel?</p> <p>7 Q. No, I mean -- I just mean whatever you</p> <p>8 have knowledge of. You, Tasha Polster.</p> <p>9 A. Well, there were various tools that were</p> <p>10 developed, and obviously they changed over the</p> <p>11 course of the years. And this was one of the tools</p> <p>12 and, yes, it did have a link and you could drill</p> <p>13 in.</p> <p>14 Q. But what I'm -- I think my questions are</p> <p>15 just not very artful.</p> <p>16 What I'm trying to understand is that</p> <p>17 there were links and dashboards that you could</p> <p>18 click and drill down, right?</p> <p>19 A. Yes.</p> <p>20 Q. And that was fairly common at Walgreens,</p> <p>21 right?</p> <p>22 A. I would say it was just becoming common</p> <p>23 at Walgreens.</p> <p>24 Q. Okay. The other way to look at data or</p>	<p style="text-align: right;">Page 301</p> <p>1 A. Key performance indicator.</p> <p>2 Q. Okay. So, there were different kinds of</p> <p>3 dashboards throughout Walgreens. Is that fair?</p> <p>4 A. Yes.</p> <p>5 Q. So, loss prevention you mentioned had a</p> <p>6 dashboard?</p> <p>7 A. Yes.</p> <p>8 Q. We mentioned the gentleman, I can't</p> <p>9 remember his name, earlier this morning that used</p> <p>10 Tableau as a dashboard, correct?</p> <p>11 A. Yes, but that was not at store level.</p> <p>12 Q. I understand. I'm just talking about</p> <p>13 Walgreens.</p> <p>14 A. Yeah.</p> <p>15 Q. I'm trying to understand.</p> <p>16 A. Got it.</p> <p>17 Q. We got Tableau. We have dashboards at</p> <p>18 the store level, correct?</p> <p>19 A. Yes.</p> <p>20 Q. We have dashboards at loss prevention,</p> <p>21 correct?</p> <p>22 A. Yes.</p> <p>23 Q. And you even had access to some links or</p> <p>24 dashboards on your computer in various capacities,</p>

<p style="text-align: right;">Page 302</p> <p>1 right?</p> <p>2 A. Yes.</p> <p>3 Q. And the same thing is true with</p> <p>4 Pharmaceutical Integrity is that there were some</p> <p>5 dashboards and links to gather some information,</p> <p>6 right?</p> <p>7 A. Yes.</p> <p>8 Q. And then that there was also automated</p> <p>9 reports being generated, correct?</p> <p>10 A. I'm sure there were automated reports.</p> <p>11 Q. Okay. But if you wanted a report with</p> <p>12 specific data, you could ask someone to run a</p> <p>13 specific query and someone could pull the data for</p> <p>14 you, correct?</p> <p>15 A. Yes.</p> <p>16 Q. All right. So, I guess what I'm trying</p> <p>17 to get to is that there were numerous ways to</p> <p>18 gather and organize data at Walgreens other than</p> <p>19 just a report?</p> <p>20 A. Yes.</p> <p>21 Q. Meaning the dashboards?</p> <p>22 A. Right.</p> <p>23 Q. And the links, correct?</p> <p>24 A. Yes.</p>	<p style="text-align: right;">Page 304</p> <p>1 state prescription drug monitoring program?"</p> <p>2 And you think that's for dispensing as</p> <p>3 well?</p> <p>4 A. Yes.</p> <p>5 Q. So, check for photo IDs is 18. 19, for</p> <p>6 controlled substance. Those are predominantly</p> <p>7 dispensing, correct?</p> <p>8 A. Yes.</p> <p>9 Q. Now, if we go to DEA notification, 22,</p> <p>10 "Is the DEA notified within two business days of</p> <p>11 any forged or altered controlled substance</p> <p>12 prescription?"</p> <p>13 Do you see that?</p> <p>14 A. Yes.</p> <p>15 Q. And that's helpful for both dispensing</p> <p>16 and distributor, correct?</p> <p>17 A. Yes.</p> <p>18 Q. All right. Same thing for 23, correct?</p> <p>19 A. Yes.</p> <p>20 Q. And 24?</p> <p>21 A. Yes.</p> <p>22 Q. And 25?</p> <p>23 A. Yes.</p> <p>24 Q. And how about 26?</p>
<p style="text-align: right;">Page 303</p> <p>1 Q. So, 13, "Has the pharmacy staff observed</p> <p>2 any individuals dropping off pain management</p> <p>3 prescriptions for multiple patients?"</p> <p>4 Again, that is information that's</p> <p>5 helpful to when analyzing Walgreens'</p> <p>6 responsibilities as both a dispenser and a</p> <p>7 distributor, correct?</p> <p>8 A. Yes.</p> <p>9 Q. And let's just kind of go through these</p> <p>10 maybe a few at a time to make it a little quicker.</p> <p>11 So, 14, I'm going to ask the same</p> <p>12 questions, and you just tell me -- standing</p> <p>13 question. You just tell me yes or no.</p> <p>14 "Does the state have a prescription drug</p> <p>15 monitoring program?"</p> <p>16 That's helpful for both dispensing and</p> <p>17 distributor, right?</p> <p>18 A. I think it's helpful for dispensing.</p> <p>19 Q. All right. How about 15, "Does the</p> <p>20 pharmacy" -- "the pharmacist on duty have access to</p> <p>21 the state's prescription drug monitoring program</p> <p>22 website?"</p> <p>23 A. For dispensing.</p> <p>24 Q. Okay. "When does the pharmacist use the</p>	<p style="text-align: right;">Page 305</p> <p>1 A. Yes. Well, I don't know if it's about</p> <p>2 distributor or dispensing, but I think from a</p> <p>3 support center and a loss prevention point of view,</p> <p>4 we need to understand, you know, are the</p> <p>5 pharmacists scared.</p> <p>6 Q. Most -- there is a lot of pharmacists</p> <p>7 that aren't big 6 foot 3, 230 pounds guys like me</p> <p>8 and look a little more like you behind the counter,</p> <p>9 and that's a safety issue, correct?</p> <p>10 A. They could feel --</p> <p>11 Q. Threatened?</p> <p>12 A. -- threatened, yes.</p> <p>13 Q. So, were the results of this survey</p> <p>14 compiled somewhere and did you actually see the</p> <p>15 results?</p> <p>16 A. I did not.</p> <p>17 Q. Never saw them?</p> <p>18 A. No.</p> <p>19 Q. So, we're 9/28/2012. This isn't</p> <p>20 something that your task force used trying to make</p> <p>21 some decisions?</p> <p>22 A. No. I knew that we sent it out, but I</p> <p>23 don't recall going through all of the answers. My</p> <p>24 understanding was the answers went to loss</p>

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1 prevention guy.
 2 Q. All right. But you don't know what
 3 happened to it?
 4 A. Right.
 5 Q. But the loss prevention team or group
 6 had representation on the task force, correct?
 7 A. Yes.
 8 Q. So, they may very well have reviewed the
 9 results as part of the task force. You're just not
 10 sure?
 11 A. Correct.
 12 Q. I hand you P-WAG-2111, Bates No. 674623.
 13 I just wanted to see if you knew what that was.
 14 (WHEREUPON, a certain document was
 15 marked as Walgreens-Polster Exhibit
 16 No. 22: Document, "MartinB,
 17 Threshold Violations-Monthly";
 18 WAGMDL00674623.)
 19 BY MR. MOUGEY:
 20 Q. Have you seen that report or a similar
 21 report to this?
 22 A. No.
 23 Q. Never have seen this?
 24 A. No. I mean, the font and the columns

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1 indicate it came from SIMS, but I've never seen
 2 this report.
 3 Q. The font and the columns, the way the
 4 report is structured I guess?
 5 A. Right.
 6 Q. Do you see in the upper right-hand side
 7 "Suspicious Order"?
 8 A. Yes.
 9 Q. And do you see the "Rsn Cd"? I'm
 10 interpreting that as reason code. Do you know?
 11 A. I don't know, but that makes sense.
 12 Q. Do you recognize the T?
 13 A. No.
 14 Q. Are you familiar with what an override
 15 report is? Override form? Sorry.
 16 A. Not in context to this.
 17 Q. No. I'm sorry.
 18 A. My override --
 19 Q. Something totally different. Override.
 20 You understand what the override form
 21 is, right?
 22 A. I understand what an override is, but
 23 which override form are you talking about?
 24 Q. I'll pull it out in a minute.

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1 You have never seen something like this
 2 before?
 3 A. I have not.
 4 Q. I hand you what we are going to mark as
 5 Polster 23. It's P-WAG-2637, Bates No. 673894.
 6 (WHEREUPON, a certain document was
 7 marked as Walgreens-Polster Exhibit
 8 No. 23: Spreadsheet;
 9 WAGMDL00673894.)
 10 BY THE WITNESS:
 11 A. Okay.
 12 BY MR. MOUGEY:
 13 Q. Can you read it? Is it big enough for
 14 you to read?
 15 A. I can -- if I struggle, I can read it.
 16 Q. Okay. Because I have a larger copy
 17 here.
 18 A. No, I'm good.
 19 Q. I don't understand what this is. And do
 20 you recognize this report?
 21 A. No.
 22 Q. Let's just go through. It appears like
 23 it's Excel, right?
 24 A. Yes.

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1 Q. So, "Location Type," under A, "S." Do
 2 you have any idea?
 3 A. I'm assuming store.
 4 Q. All right. "Location Number," and those
 5 numbers appear to comport with what Walgreens uses
 6 for store numbers, right?
 7 A. Correct.
 8 Q. And then "Item Number"?
 9 A. That's the WIC.
 10 Q. Okay. And then "Order Number"?
 11 A. Yes.
 12 Q. And "Order Number" is an internal number
 13 within Walgreens indicating just a way to find a
 14 particular order?
 15 A. Yeah, when an order is generated, it
 16 would -- a number correlates with it, and you can
 17 find it in SIMS.
 18 Q. "Order Type," I'm seeing Rs?
 19 A. Yeah, I don't know what that means.
 20 Q. You don't know. Okay.
 21 "Line Number." Don't know?
 22 A. No.
 23 Q. Okay. And "Product Identifier"?
 24 A. That looks like an NDC number to me

<p style="text-align: right;">Page 310</p> <p>1 without the dashes.</p> <p>2 Q. An NDC code without the dashes. Okay.</p> <p>3 And then we see an item -- I don't know</p> <p>4 what that stands for. M?</p> <p>5 A. Oh, mylar.</p> <p>6 Q. Mylar. What's mylar mean?</p> <p>7 A. At store level, when you have product on</p> <p>8 the shelf, you have a mylar that corresponds with</p> <p>9 the item that has the WIC number, the NDC -- the</p> <p>10 NDC number --</p> <p>11 Q. Okay.</p> <p>12 A. -- and where the product came from or</p> <p>13 could come from.</p> <p>14 So, there are some items that the</p> <p>15 Walgreens DC didn't carry and the mylar would</p> <p>16 indicate whether or not it was only an item that</p> <p>17 you could get from a wholesaler or if you could get</p> <p>18 it from the Walgreens DC.</p> <p>19 Q. Okay. So, "Sales Category Y Code." I'm</p> <p>20 in column J. It says "RX"?</p> <p>21 A. Yes.</p> <p>22 Q. Means a pharmacy, right?</p> <p>23 A. Right.</p> <p>24 Q. And then "Control DL Drug Class"?</p>	<p style="text-align: right;">Page 312</p> <p>1 extra digit, correct?</p> <p>2 A. On which side?</p> <p>3 Q. I don't know.</p> <p>4 A. I don't know. Sorry.</p> <p>5 Q. M, N and O all appear to have an extra</p> <p>6 digit, correct?</p> <p>7 A. Yeah.</p> <p>8 Q. And they all refer to a date but they</p> <p>9 all seem to have an extra number in them, right?</p> <p>10 A. Yes.</p> <p>11 Q. And you don't know exactly what's extra?</p> <p>12 A. Right.</p> <p>13 Q. Okay. So, you don't know either?</p> <p>14 A. No.</p> <p>15 Q. P, "Suggested Order Quantity"?</p> <p>16 A. Yes.</p> <p>17 Q. Do you understand what that's</p> <p>18 referencing?</p> <p>19 A. Yes.</p> <p>20 Q. What is that?</p> <p>21 A. So, based on the volume of the store and</p> <p>22 what they were dispensing, the suggested order</p> <p>23 quantity by the system was 13.</p> <p>24 Q. Okay. And that correlates with the NDC</p>
<p style="text-align: right;">Page 311</p> <p>1 A. Yeah, that's -- I don't know if that --</p> <p>2 no, I think it just says "Control Drug Class." I</p> <p>3 think the ROL is the second line there.</p> <p>4 Q. Okay.</p> <p>5 A. But that just means is it a C-II, III,</p> <p>6 IV or V.</p> <p>7 Q. So, you can see there in lines 3 and 4</p> <p>8 with oxycodone 15 milligram tablets, that's</p> <p>9 Schedule II, right?</p> <p>10 A. Yes.</p> <p>11 Q. All right. Then L. Do you have an</p> <p>12 understanding of what L is?</p> <p>13 A. I know what a planogram is, but I don't</p> <p>14 know what it makes sense to this report. I guess</p> <p>15 that it was in the pharmacy, but I don't know.</p> <p>16 Q. Okay. M, the established delivery date?</p> <p>17 A. I don't know.</p> <p>18 Q. Does that date make sense to you under</p> <p>19 M?</p> <p>20 A. No. That's why I was saying I don't</p> <p>21 know because it doesn't make sense.</p> <p>22 Q. Have you ever heard of a Julian date?</p> <p>23 A. No.</p> <p>24 Q. No? That date looks like it has an</p>	<p style="text-align: right;">Page 313</p> <p>1 code for that store?</p> <p>2 A. Yes.</p> <p>3 Q. And then Q is "Tolerance Limit</p> <p>4 Quantity"?</p> <p>5 A. Which was the maximum number of bottles</p> <p>6 that could be shipped at any one time to that</p> <p>7 location set by the algorithm that Wayne built.</p> <p>8 Q. Make sure I understand. P with 13 is</p> <p>9 the total number of orders for any given month, and</p> <p>10 Q is the number of --</p> <p>11 A. I don't think given month.</p> <p>12 Q. Okay.</p> <p>13 A. I don't know the time frame on that for</p> <p>14 sure. But for that particular order, 13 was the</p> <p>15 suggested order. So, I don't know if that's by</p> <p>16 week or by month.</p> <p>17 Q. Okay. But does it seem odd to you that</p> <p>18 the suggested quantity order quantity is higher</p> <p>19 than the tolerance limit quantity?</p> <p>20 A. No, not necessarily.</p> <p>21 Q. Tell me why.</p> <p>22 A. Because when Steve built the -- sorry.</p> <p>23 When Wayne built the tool and made all the tweaks</p> <p>24 and the linear regression is we are trying to</p>

<p style="text-align: right;">Page 314</p> <p>1 normalize by peer, it is possible that the system 2 would generate an order that was larger than that 3 because, you know, they may have used all the 4 tablets that they had in stock and so the system 5 was trying to order more so they would stay in 6 stock for the patients that were coming in. 7 As the linear regression tool started 8 being used and we started using the ceilings and 9 the tolerances, you know, we were trying to 10 normalize. So, it doesn't surprise me that the 11 suggested order quantity would be different than 12 the tolerance. 13 Q. And then R appears to be the difference 14 between P and Q? 15 A. Yes. 16 Q. And then S is "Order Quantity." 17 A. Yes. 18 Q. Now, I don't understand S and T. 19 T appears to be "Adjusted Order 20 Quantity," does it not? 21 A. It says that, but I don't know where 22 that number came from unless at store level 23 somebody tried to order 14 bottles instead of the 24 13 that the order suggested.</p>	<p style="text-align: right;">Page 316</p> <p>1 A. If the override form was filled out, 2 yes. 3 Q. Okay. And it should have been filled 4 out, right? 5 A. Well, I don't know the date on this 6 report. Do you have a date? 7 Q. We're just talking about override. 8 Generally override. I'm just trying to understand 9 the override. 10 A. Okay, yes. 11 Q. The rationale for the override should be 12 in the form? 13 A. Yes. 14 Q. Correct? 15 A. Yes. 16 Q. And it should be recorded, correct? 17 A. Yes. 18 Q. And if you wanted to, Tasha Polster, 19 director of Pharmaceutical Integrity, wanted to 20 look and see how many times a store had received an 21 override, could you do that? 22 A. Yes. 23 Q. And could you look at the reasons why 24 the store had received an override?</p>
<p style="text-align: right;">Page 315</p> <p>1 Q. Do you know what the -- I asked you 2 earlier about an override form, right? 3 A. Yeah. 4 Q. So, the override form is on Walgreens 5 intranet, correct? 6 A. Correct. 7 Q. And the pharmacist will fill it out, 8 correct? 9 A. Yes. 10 Q. And someone from your group reviews the 11 override form? 12 A. After it goes to store leadership and 13 then district leadership, then it would come to my 14 team to review. 15 Q. Okay. And were the results of the 16 override form compiled and stored anywhere? 17 A. Yes. 18 Q. Where? 19 A. It's stored -- my team has access to 20 those. I don't remember how long they're kept. 21 Q. Okay. 22 A. But we did keep them. 23 Q. And that would include the reason for 24 the override?</p>	<p style="text-align: right;">Page 317</p> <p>1 A. Yes, I'd have my team pull it up. 2 Q. But you're not certain how far back that 3 goes? 4 A. I can't remember. Sorry. 5 Q. Okay. So, as we go across this page, 6 "Adjusted User." Any of those names ring a bell in 7 U? 8 A. I don't know. No, I don't -- none of 9 those names are anybody that was on my team. 10 Q. And V, "Adjusted Date." Again, 11 that's -- seems to have an extra digit in it, 12 right? 13 A. Yes. 14 Q. So, W, "Average Ordering Frequency." Do 15 you see that? 16 A. Yep. 17 Q. Now, did your group use frequency? 18 A. I -- I don't -- I mean, I don't know if 19 that's for sure what this means in terms of when I 20 look at that, I'm thinking order frequency for a 21 C-II is once a week. 22 Q. So, is it okay if I -- if I tell 23 Walgreens counsel when it tells me that all the 24 answers are right here in all these reports and I</p>

<p style="text-align: right;">Page 318</p> <p>1 can tell them I just sat here with Tasha Polster 2 for an hour and looked at this and she can't tell 3 what this is either? Because between the two of us 4 sitting here you don't know what this is, do you? 5 A. Right, correct. 6 Q. I don't know either. 7 A. Correct. 8 Q. It says, "Analysis data for Wayne.xls" 9 on top, right? 10 A. Yes. 11 Q. That doesn't really help me much. Does 12 it help you? 13 A. No. 14 Q. "Multiple items as suspicious" or "susp" 15 on the bottom. Does that tell you anything? 16 MR. HOUTZ: Object to form and foundation on 17 that. 18 BY THE WITNESS: 19 A. I don't know what it meant. 20 BY MR. MOUGEY: 21 Q. So, as we continue across this page, the 22 "Suspicious Reason Code." Do you see the T? 23 A. Where it says "Adjusted Order Quantity"? 24 Q. Yes, ma'am.</p>	<p style="text-align: right;">Page 320</p> <p>1 Q. Is Walgreens is organized into 2 districts, right? 3 A. Yes. 4 Q. So, that might be that makes sense. 5 Then "Total Observations" for AC. Do 6 you know what that is? 7 A. No. 8 Q. Me either. "Calculation Sample Mean" 9 under AD, any idea? 10 A. No. 11 Q. Next one, "Standard Deviation," do you 12 know what that -- I know what standard deviation 13 is. I'm sure you do too. But do you know what 14 it's referencing? Standard deviation of what? 15 A. No. 16 Q. And the k-value. Any idea what that's 17 referencing? 18 A. All of those terms, I know that I have 19 heard Wayne use those as part of his complicated 20 algorithm. 21 Q. Right. So, looking at this, you really 22 can't give me much more direction than what I have 23 got? 24 A. Right.</p>
<p style="text-align: right;">Page 319</p> <p>1 A. Yes. 2 Q. Under the Z column. 3 A. Yes. 4 Q. That's why I was asking you earlier 5 about the T on that report that we looked at, the 6 last exhibit that we reviewed. 7 A. 22. 8 Q. Bates -- yes, ma'am. Bates No. 23 has 9 reason code T, and this has a reason code T. 10 A. Okay. 11 Q. But sitting here today, either of those 12 two documents, you don't know what that means 13 either? 14 A. No. 15 Q. And then it has -- as we continue to go 16 across, "District Location Type," just has "D." Do 17 you know what that means? 18 A. No. I mean, not exactly, no. 19 Q. Even generally? 20 A. I would assume that it just means it's 21 the district and then the next digit is the 22 district number. 23 Q. Okay. 24 A. The next column I mean. Sorry.</p>	<p style="text-align: right;">Page 321</p> <p>1 Q. You and I can't even figure out the 2 dates looking at this, right? We can't even tell 3 between the two of us what dates this applies to? 4 A. Right. 5 Q. I will hand you Bates No. 783520, 6 P-WAG-83. Mark as Polster 24. 7 (WHEREUPON, a certain document was 8 marked as Walgreens-Polster Exhibit 9 No. 24: 1/21/13 e-mail string; 10 CAH_MDL2804_00783520 - 00783522.) 11 BY MR. MOUGEY: 12 Q. The date of this e-mail is 1/21/2013. 13 Do you see that? 14 A. Yes. 15 Q. And this appears to be an internal 16 Cardinal e-mail. Do you see that, at the top? 17 A. Yes. 18 Q. Do you see the e-mail, the domain 19 exchanges? 20 A. Yes. 21 Q. And I just wanted to see if you had an 22 understanding of what some of the vernacular was. 23 As part of your job you were -- you 24 understood that some of the pharmacies were also</p>

<p style="text-align: right;">Page 322</p> <p>1 entering orders obviously with Cardinal, correct?</p> <p>2 A. Yes.</p> <p>3 MS. FIX MEYER: Objection; foundation.</p> <p>4 BY MR. MOUGEY:</p> <p>5 Q. And would you as part of Pharmaceutical</p> <p>6 Integrity also take into consideration what stores</p> <p>7 were -- what stores were ordering from Cardinal or</p> <p>8 other third-party vendors?</p> <p>9 MS. FIX MEYER: Objection; form.</p> <p>10 BY THE WITNESS:</p> <p>11 A. We would get that information when the</p> <p>12 order was posted.</p> <p>13 BY MR. MOUGEY:</p> <p>14 Q. Yes, ma'am. But that was -- you took</p> <p>15 that into consideration when analyzing a store's</p> <p>16 compliance -- well, let me do that another way.</p> <p>17 Walgreens as a pharmacy had visibility</p> <p>18 into both what it was distributing to its own</p> <p>19 stores and third-party vendors, correct?</p> <p>20 A. Yes.</p> <p>21 Q. And would you consider both what</p> <p>22 Walgreens was distributing to your pharmacies as</p> <p>23 well as third-party vendors when performing your</p> <p>24 duties in Pharmaceutical Integrity?</p>	<p style="text-align: right;">Page 324</p> <p>1 Q. When you said they sent it to you, do</p> <p>2 you mean you meaning Pharmaceutical Integrity or</p> <p>3 they sent it to each store?</p> <p>4 MS. FIX MEYER: Objection; foundation.</p> <p>5 BY THE WITNESS:</p> <p>6 A. It ultimately ended up on the invoice.</p> <p>7 Some type of notation. I don't remember the actual</p> <p>8 language. But to help us communicate to the stores</p> <p>9 when they were reaching their limit.</p> <p>10 BY MR. MOUGEY:</p> <p>11 Q. So, do you see any potential problems</p> <p>12 with Cardinal informing stores that they were</p> <p>13 nearing 75% of their accrual?</p> <p>14 MS. FIX MEYER: Objection; form, foundation,</p> <p>15 misstates.</p> <p>16 BY THE WITNESS:</p> <p>17 A. No.</p> <p>18 BY MR. MOUGEY:</p> <p>19 Q. No issue at all?</p> <p>20 A. No.</p> <p>21 Q. So, the report says, "We do currently</p> <p>22 send a report of all stores who reached 75% of</p> <p>23 their accrual."</p> <p>24 Do you see that?</p>
<p style="text-align: right;">Page 323</p> <p>1 A. Yes.</p> <p>2 Q. All right. So, I just really want to</p> <p>3 have an understanding. You see the subject line</p> <p>4 where it references Walgreens Co.?</p> <p>5 A. With the DEA number?</p> <p>6 Q. Yes, ma'am.</p> <p>7 A. Yes.</p> <p>8 Q. So, the last paragraph in the top part</p> <p>9 of this e-mail says, "We do currently send a report</p> <p>10 to all stores who reached 75% of their accrual."</p> <p>11 A. Yes.</p> <p>12 Q. Do you understand what accrual means?</p> <p>13 MS. FIX MEYER: Objection.</p> <p>14 BY THE WITNESS:</p> <p>15 A. It meant the amount that Cardinal</p> <p>16 shipped into any one location for any one NDC</p> <p>17 number. I don't know what the -- their actual</p> <p>18 number was. No wholesaler will give you the actual</p> <p>19 number. But Cardinal did allow us to know if the</p> <p>20 store was approaching the limit on their end and</p> <p>21 helped us to communicate to the stores if the store</p> <p>22 was reaching the maximum amount that they were</p> <p>23 allotted during that time frame.</p> <p>24 BY MR. MOUGEY:</p>	<p style="text-align: right;">Page 325</p> <p>1 A. Yes.</p> <p>2 Q. Walgreens was aware that Cardinal was</p> <p>3 sending 75% accruals to all stores?</p> <p>4 MS. FIX MEYER: Objection; form, foundation.</p> <p>5 BY THE WITNESS:</p> <p>6 A. Yes.</p> <p>7 BY MR. MOUGEY:</p> <p>8 Q. Did you in Pharmaceutical Integrity know</p> <p>9 that Cardinal was sending reports alerting stores</p> <p>10 that they had reached 75% of their accrual?</p> <p>11 MS. FIX MEYER: Objection; form, foundation,</p> <p>12 misstates the document.</p> <p>13 BY THE WITNESS:</p> <p>14 A. As part of the integrity team we were</p> <p>15 learning as we were going obviously. I knew that a</p> <p>16 report was being sent. I don't recall whether or</p> <p>17 not it was being sent originally to my team or --</p> <p>18 well, I mean, it wasn't sent originally to my team.</p> <p>19 It must have sent somewhere else.</p> <p>20 But the whole point of how we were</p> <p>21 trying to communicate to the stores so they could</p> <p>22 give an accurate representation to take care of the</p> <p>23 patients was we had to somehow notify them whether</p> <p>24 or not they would or would not get the product on</p>

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1 the order that they were generating or why, why
2 they didn't get it.
3 BY MR. MOUGEY:
4 Q. Do you have an understanding of how many
5 distribution centers at Walgreens distributed
6 Schedule II and Schedule III opiates?
7 A. I don't know the exact number.
8 Q. Do you have a general understanding?
9 A. I know Jupiter did and I know Perrysburg
10 did, but I can't remember if there were more
11 outside of those two.
12 Q. How about Woodland?
13 A. We have a Woodland DC, but I don't
14 know --
15 Q. You don't know?
16 A. -- if they did C-II's.
17 Q. A year, a year and a half in
18 Pharmaceutical Integrity with Walgreens as a
19 distributor, you're not sure of whether the
20 Walgreens distribution center sent Schedule II and
21 III opiates?
22 A. I don't know which -- which schedules
23 came out of which DCs.
24 Q. Obviously, Perrysburg was shut down as a

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1 result of the DEA investigation in 2013, correct?
2 A. I don't remember Perrysburg being shut
3 down.
4 Q. Did I say Perrysburg?
5 A. Yes.
6 Q. I'm sorry. Let me redo that.
7 Jupiter.
8 A. Yes.
9 Q. Jupiter was shut down in 2013 as a
10 result of the DEA investigation --
11 A. Yes.
12 Q. -- correct?
13 A. Yes.
14 Q. And Perrysburg also received subpoenas
15 from the DEA. Were you aware of that in 2013?
16 A. Not off the top of my head. I might
17 have been, but I don't remember.
18 Q. Do you recall that shortly on the heels
19 after Jupiter was shut down, that Walgreens also
20 shut down Perrysburg?
21 A. I recall that a decision was made that
22 we were no longer going to distribute controlled
23 substances, but I don't know the reason why.
24 Q. So, you're not aware as a director of

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1 Pharmaceutical Integrity in 2013 whether or not
2 there were issues with the Perrysburg distribution
3 center, when I say issues, regulatory issues?
4 A. I was, no, not aware.
5 Q. P-WAG-213, Bates No. 10887, and we are
6 going to mark this as Polster 25.
7 (WHEREUPON, a certain document was
8 marked as Walgreens-Polster Exhibit
9 No. 25: 5/23/16 e-mail with
10 attachment; WAGMDL00010887 -
11 00010924.)
12 BY MR. MOUGEY:
13 Q. This is an e-mail from Mr. Bratton who
14 is in your group to yourself, correct?
15 A. Yes.
16 Q. And it's titled, the attachment is,
17 "State of Integrity." Correct?
18 A. Yes.
19 Q. And this was kind of an overview or a
20 state of Pharmaceutical Integrity as of May 23,
21 2016, correct?
22 A. Yes.
23 Q. Who put together this PowerPoint, do you
24 recall?

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1 A. It must have been Ed Bratton. His name
2 is not on the PowerPoint, but it's on the e-mail
3 and he does do data analysis for me.
4 Q. Okay. And there is nobody's names on
5 the PowerPoint that I see, correct?
6 A. Yeah.
7 Q. And why don't you flip through it. Have
8 you seen this PowerPoint?
9 A. Yes.
10 Q. Do you recall seeing it?
11 A. Yes.
12 Q. Familiar with it generally?
13 A. Yes.
14 Q. And did you look at it in preparation
15 for today?
16 A. I don't remember looking at it before
17 today.
18 Q. Okay.
19 A. I mean, in preparation.
20 Q. So, as you flip through these pages,
21 would you agree with me this is a pretty detailed
22 report?
23 A. Yes.
24 Q. And that this took some time to put

<p style="text-align: right;">Page 330</p> <p>1 together?</p> <p>2 A. Yes.</p> <p>3 Q. And it required a lot of different data</p> <p>4 pulls to come up to compile the data points in this</p> <p>5 PowerPoint, right?</p> <p>6 A. Yes.</p> <p>7 Q. I'd like to take you to Bates No. 904</p> <p>8 and it's a section titled "Flagged Orders."</p> <p>9 A. Okay.</p> <p>10 Q. And you will see on page 903 it's titled</p> <p>11 "Flagged Orders," and then you can see the title on</p> <p>12 904 in the upper right-hand corner "Flagged</p> <p>13 Orders." Okay?</p> <p>14 A. Yep.</p> <p>15 Q. Is "flagged orders" a term that</p> <p>16 Pharmaceutical Integrity used internally?</p> <p>17 A. Yes.</p> <p>18 Q. And what did you use -- what did it</p> <p>19 mean?</p> <p>20 A. That was the orders that hit the</p> <p>21 tolerance or the ceiling and were deemed orders of</p> <p>22 interest to be reviewed before release.</p> <p>23 Q. Okay. So, let's walk through Bates</p> <p>24 No. 904. It says, "Fiscal Year 2014, Fiscal Year</p>	<p style="text-align: right;">Page 332</p> <p>1 identified by Mr. Bancroft's algorithm and reduced</p> <p>2 to zero, are those flagged orders?</p> <p>3 A. Those -- those would be the orders</p> <p>4 exceeded tolerance limit, where it went in, it came</p> <p>5 over the amount, and we're not going to ship you</p> <p>6 anything.</p> <p>7 Q. All right. Let's start on the left-hand</p> <p>8 side, the pie chart.</p> <p>9 A. Okay.</p> <p>10 Q. So, a flagged order is -- and I</p> <p>11 apologize. I'm just not following you.</p> <p>12 A flagged order is an order that was</p> <p>13 identified by Wayne Bancroft's algorithm?</p> <p>14 A. The flagged orders were the orders that</p> <p>15 came in that we needed to review. The canceled</p> <p>16 orders were orders that exceeded the limits and</p> <p>17 were not shipped at all.</p> <p>18 Q. Okay. Give me the criteria for a</p> <p>19 flagged order that were orders that came in that we</p> <p>20 needed to review?</p> <p>21 A. They would come in with an override</p> <p>22 form.</p> <p>23 Q. What I see here in the left-hand side of</p> <p>24 this page in the pie chart is the red, 74.16% of</p>
<p style="text-align: right;">Page 331</p> <p>1 2015," correct?</p> <p>2 A. Yes.</p> <p>3 Q. And at the bottom is a line graph with</p> <p>4 the dates October '13 to October '15, approximately</p> <p>5 a two-year period, correct?</p> <p>6 A. Yes.</p> <p>7 Q. And it's titled "Orders Flagged and</p> <p>8 Canceled Chain-Wide." Okay?</p> <p>9 A. Okay.</p> <p>10 Q. Do you see that?</p> <p>11 A. Yep.</p> <p>12 Q. Let me make sure I understand.</p> <p>13 Orders flagged and canceled, are those</p> <p>14 orders that were flagged on Wayne Bancroft's</p> <p>15 algorithm and then canceled?</p> <p>16 A. If the order was generated over what the</p> <p>17 system -- Wayne's system did, then it was canceled</p> <p>18 into zero. The orders that were flagged were</p> <p>19 orders that came in and my team reviewed and, you</p> <p>20 know, did their due diligence before shipping or</p> <p>21 reporting to the DEA.</p> <p>22 Q. So, walk me through some of that. Break</p> <p>23 that out for me. Okay?</p> <p>24 So, orders that were I'm going to say</p>	<p style="text-align: right;">Page 333</p> <p>1 the flagged orders exceeded tolerance limit. Am I</p> <p>2 reading that right?</p> <p>3 A. That's what it says, yes.</p> <p>4 Q. Okay. And the green, 22.88% of the</p> <p>5 flagged orders were reduced by ceiling, correct?</p> <p>6 A. Right.</p> <p>7 Q. And blue, reduced tolerance/ceiling,</p> <p>8 2.86%, correct?</p> <p>9 A. Yes.</p> <p>10 Q. Those were flagged orders, correct?</p> <p>11 A. They were orders that my team reviewed,</p> <p>12 yes.</p> <p>13 Q. Okay. And fiscal year does -- has</p> <p>14 approximately very similar results as '14?</p> <p>15 A. Yes.</p> <p>16 Q. I still want to make sure you and I are</p> <p>17 on the same page because what I asked was that the</p> <p>18 fiscal year '14, the pie chart, the exceeded</p> <p>19 tolerance limit, tolerance/tracked ceiling, reduced</p> <p>20 by ceiling and reduced tolerance/ceiling, those</p> <p>21 were flagged orders, correct?</p> <p>22 A. I don't remember all the weeds about all</p> <p>23 of this. But if the order exceeded the tolerance</p> <p>24 limit, it was not -- it was canceled. It wasn't</p>

<p style="text-align: right;">Page 334</p> <p>1 shipped at all.</p> <p>2 But I don't remember all the weeds of</p> <p>3 what the definitions for everything was.</p> <p>4 Q. Because as we look below, "Orders</p> <p>5 Flagged and Canceled Chain-Wide."</p> <p>6 A. That includes all of the numbers in the</p> <p>7 pie chart there.</p> <p>8 Q. Okay. So, orders that were flagged and</p> <p>9 canceled based on those four color-coded criteria</p> <p>10 on Bates No. 04 ranged between 4 and 6,000 orders,</p> <p>11 correct?</p> <p>12 A. Where do you see the number?</p> <p>13 Q. Off the left-hand axis.</p> <p>14 A. Oh, I see what you're saying. Yes.</p> <p>15 Q. 2, 4, 6 and 8,000, correct?</p> <p>16 A. Yep, right.</p> <p>17 Q. And this is broken out by month,</p> <p>18 correct?</p> <p>19 A. Yes.</p> <p>20 Q. So, approximately 4 to 6,000 orders, and</p> <p>21 I understand sometimes it's a little high or</p> <p>22 sometimes it's a little lower, per month were</p> <p>23 flagged and canceled chain-wide?</p> <p>24 A. Flagged or canceled.</p>	<p style="text-align: right;">Page 336</p> <p>1 policy, which was trying to order outside of the</p> <p>2 system.</p> <p>3 If they ordered outside of the system</p> <p>4 and they -- and they did what they were supposed to</p> <p>5 do and it was over the amount that Wayne's system</p> <p>6 that he put together allowed for them to have, then</p> <p>7 it was flagged for us to review to make sure we had</p> <p>8 proper documentation to determine whether or not we</p> <p>9 felt it was suspicious or whether or not we felt it</p> <p>10 was okay to ship.</p> <p>11 BY MR. MOUGEY:</p> <p>12 Q. Just the simple fact that it was flagged</p> <p>13 or canceled, Walgreens did not consider that as</p> <p>14 suspicious to report to the DEA, correct?</p> <p>15 A. A canceled order wouldn't even have been</p> <p>16 considered.</p> <p>17 Q. So, the answer is --</p> <p>18 A. And it could be --</p> <p>19 Q. The answer is -- I just -- I understand.</p> <p>20 You want to tell me that it's not an order. Okay.</p> <p>21 But it says on this document, created by your</p> <p>22 group, it says, "Orders Flagged and Canceled."</p> <p>23 Okay.</p> <p>24 So, all I'm simply asking is the</p>
<p style="text-align: right;">Page 335</p> <p>1 Q. I'm sorry. But I'm looking at page 04,</p> <p>2 it says, "Orders Flagged and Canceled" at the</p> <p>3 bottom, correct?</p> <p>4 A. Right. It's the combination of all of</p> <p>5 them.</p> <p>6 Q. Flagged and canceled?</p> <p>7 A. Right.</p> <p>8 Q. 4 to 6,000 orders approximately, give or</p> <p>9 take a month, correct?</p> <p>10 A. Yes.</p> <p>11 Q. So, we are talking somewhere in the</p> <p>12 ballpark of 40, 50, 60, 70,000 orders on any given</p> <p>13 year that were flagged and canceled, correct?</p> <p>14 A. Yes, but they're two separate things.</p> <p>15 Q. I understand.</p> <p>16 A. Okay. Yes.</p> <p>17 Q. And Walgreens did not consider an order</p> <p>18 flagged or an order that was canceled as</p> <p>19 suspicious, correct?</p> <p>20 MR. HOUTZ: Object to form.</p> <p>21 BY THE WITNESS:</p> <p>22 A. An order that was canceled never even</p> <p>23 came in to be reviewed because the store was doing</p> <p>24 what they were not supposed to be doing based on</p>	<p style="text-align: right;">Page 337</p> <p>1 language based on this document that if an order</p> <p>2 was canceled by Walgreens as a result of the</p> <p>3 algorithm, Walgreens did not consider that to be</p> <p>4 suspicious and report to the DEA, correct?</p> <p>5 A. Exactly.</p> <p>6 Q. Okay. Thank you.</p> <p>7 Similarly, an order flagged by the</p> <p>8 algorithm did not automatically get reported to the</p> <p>9 DEA --</p> <p>10 A. That's correct.</p> <p>11 Q. -- as suspicious either?</p> <p>12 A. Because the regulations say to review</p> <p>13 the order before you report it. It says the order</p> <p>14 must be deemed suspicious. You have to look at it</p> <p>15 to know whether or not it's suspicious.</p> <p>16 Q. Can you point me to any language that</p> <p>17 the regulation says you have to look at it to</p> <p>18 determine whether or not it's suspicious?</p> <p>19 A. So, you're taking my words as literal.</p> <p>20 But it says --</p> <p>21 Q. That's kind of what we do here.</p> <p>22 A. Okay.</p> <p>23 Q. We get to ask questions.</p> <p>24 A. That's fair.</p>

<p style="text-align: right;">Page 338</p> <p>1 Q. And I'm trying to understand what 2 Walgreens thought the applicable regulations were. 3 So -- 4 A. The way my team interpreted -- the way I 5 interpreted it along with my team along with the 6 group of people, we had -- to determine whether or 7 not that prescription -- sorry -- the order was 8 deemed as suspicious, you had to review it. You 9 had to look at what makes sense for that particular 10 store and that particular drug at that particular 11 point in the time. 12 And if it didn't make sense for their 13 business or they didn't give us proper 14 documentation, we automatically reported it to the 15 DEA. 16 Q. Let's keep going on this document. 17 Do you have any understanding on Bates 18 No. 04, of the orders that were flagged and 19 canceled chain-wide, how many of those 20 percentage-wise were actually reported to the DEA? 21 A. I don't know. 22 Q. Do you have any idea of annual numbers 23 of how many of these orders that were flagged and 24 canceled chain-wide were reported to the DEA?</p>	<p style="text-align: right;">Page 340</p> <p>1 and the store wanted to avoid having an order being 2 flagged, they could simply wait until the beginning 3 of next month, correct? 4 A. Not for the Walgreens system. The 5 Walgreens system was a rolling six-week period of 6 time. It wasn't by month. So, you never really 7 knew where you were in the cycle of the six weeks. 8 Q. Excepting for you looked at the ceiling 9 limits tool -- 10 A. Right. 11 Q. -- and it would tell you, right? 12 A. Right. 13 Q. So, the ceiling limits tool, if I'm in a 14 pharmacy and I wanted to avoid having an order 15 being flagged, I can tell where that -- where that 16 threshold is, correct? 17 A. Yes. 18 Q. If you would, please, turn to Bates 19 No. 07. "Flagged Orders vs. Ceiling Tool," the 20 last 6 months. Last 12 months. I'm sorry. 21 So, the blue bar graph, the ceiling tool 22 usage, what does that indicate? 23 A. It indicates how many times the ceiling 24 tool was used by the chain, by all the pharmacies.</p>
<p style="text-align: right;">Page 339</p> <p>1 A. I don't know. 2 Q. Do you have any understanding of how 3 many of these orders that were flagged and canceled 4 that Walgreens performed due diligence on before 5 they shipped? 6 A. I don't know the numbers. 7 Q. On Bates No. 05, "If stores checked the 8 ceiling limits tool before ordering, they can avoid 9 having orders being flagged and reduced due to 10 tolerance or ceiling limits." 11 That's the ceiling limits tool you were 12 referencing earlier, correct? 13 A. Yes. 14 Q. So, the store would know by looking at 15 the ceiling limits tool what that number is and 16 avoid having an order being flagged due to 17 tolerance or ceiling limits, correct? 18 A. Or cut. 19 Q. Yes, ma'am. 20 A. Right. 21 Q. So, the answer to my question is "Yes, 22 or cut," correct? 23 A. Yes. 24 Q. So, if it got to be the end of the month</p>	<p style="text-align: right;">Page 341</p> <p>1 Q. So, by the time you got into 2015, it 2 was being referenced 40 or 50,000 times per month, 3 correct? 4 A. Yep. 5 Q. And the flagged orders were -- is the 6 green line, correct? 7 A. Yes. 8 Q. And the gray is just a linear between 9 the -- all the green or the flagged orders, 10 correct? 11 A. Yep, that's what it says. 12 Q. If you turn to Bates No. 09, "Controlled 13 Substance Override Forms." 14 Do you have any understanding of how 15 many override request forms were approved? 16 A. Well, based on this -- 17 Q. Percentage-wise. 18 A. Based on this, yeah, it says that 95% 19 were approved. 20 Q. 95%? 21 A. Right. 22 Q. So, an override was a mechanism for the 23 store to fill out a form and have it approved by 24 Walgreens to order more Schedule II or Schedule III</p>

<p style="text-align: right;">Page 342</p> <p>1 opiates, correct?</p> <p>2 MR. HOUTZ: Object to form.</p> <p>3 BY THE WITNESS:</p> <p>4 A. Not exactly. The override form</p> <p>5 contained questions that my team needed to have</p> <p>6 information on in order to make a decision as to</p> <p>7 whether or not that product made sense to go into</p> <p>8 that store at that point in time based on the</p> <p>9 business that was happening at that location.</p> <p>10 BY MR. MOUGEY:</p> <p>11 Q. But the question that I asked was a</p> <p>12 little different.</p> <p>13 I just said that an override was a</p> <p>14 mechanism for the store to fill out a form and have</p> <p>15 it approved by Walgreens to order more Schedule II</p> <p>16 and Schedule III opiates, correct?</p> <p>17 MR. HOUTZ: Object to form, asked and</p> <p>18 answered.</p> <p>19 BY THE WITNESS:</p> <p>20 A. Approved or not approved. I mean, my</p> <p>21 team would deny -- would deny also if we didn't</p> <p>22 have -- felt -- if the reviewer didn't feel that it</p> <p>23 had appropriate information or the pharmacy manager</p> <p>24 entered in information that was vague or didn't</p>	<p style="text-align: right;">Page 344</p> <p>1 that. Let's just say it's about 2,000 a month.</p> <p>2 A. Okay.</p> <p>3 Q. Okay. So, how many people do you have</p> <p>4 in your group reviewing these override forms?</p> <p>5 A. I have 11 people that can review them.</p> <p>6 Q. In day-to-day practice how many people</p> <p>7 review them?</p> <p>8 A. They all do a lot of work. So, I will</p> <p>9 be honest with you, I don't know if they all do</p> <p>10 every one of them or if I've got a group that does</p> <p>11 some and then others focus on the DEA subpoenas and</p> <p>12 requests.</p> <p>13 Q. So, you don't know how many people are</p> <p>14 looking or who is looking at these -- the override</p> <p>15 forms?</p> <p>16 A. No, the deal is they have to get them</p> <p>17 done. We have to take care of the patients at</p> <p>18 store level and they need -- and the store level</p> <p>19 needs to know whether or not they are going to get</p> <p>20 the product or not so they can let the patient</p> <p>21 know.</p> <p>22 Q. So, 2000 -- you're counting yourself as</p> <p>23 one of the 11, right?</p> <p>24 A. No.</p>
<p style="text-align: right;">Page 343</p> <p>1 give specifics, we wouldn't approve it and we would</p> <p>2 report it.</p> <p>3 BY MR. MOUGEY:</p> <p>4 Q. Sure. And if you look at Bates No. 09,</p> <p>5 we can see that your team of investigators declined</p> <p>6 4.48% of all of the override forms in fiscal year</p> <p>7 '14, correct?</p> <p>8 A. My team of analysts, yes.</p> <p>9 Q. Yes, ma'am. Your team of analysts?</p> <p>10 A. Yes.</p> <p>11 Q. All this criteria that stores have to go</p> <p>12 through and all this multifaceted approval process,</p> <p>13 4.48% of the override forms were denied, correct?</p> <p>14 A. That's what it says.</p> <p>15 Q. And if you look above, on the blue line</p> <p>16 and the green line, it provides the number of</p> <p>17 override forms, correct?</p> <p>18 A. Yes.</p> <p>19 Q. So, other than the months July and</p> <p>20 August on the green line, your group receives</p> <p>21 somewhere north of 1,000, south of 3,000 override</p> <p>22 requests per month, correct?</p> <p>23 A. Yes.</p> <p>24 Q. All right. Now, help me do some math on</p>	<p style="text-align: right;">Page 345</p> <p>1 Q. Are you counting your administrative</p> <p>2 assistant as one of the 11?</p> <p>3 A. No.</p> <p>4 Q. You have four regions and you have a</p> <p>5 manager in every region and an analyst in every</p> <p>6 region, correct?</p> <p>7 A. At this -- in 2015, the answer to that</p> <p>8 was yes. Currently, no.</p> <p>9 Q. Let's just do '13, '14, '15.</p> <p>10 A. Okay.</p> <p>11 Q. You had approximately eight people, an</p> <p>12 analyst and the manager in the four regions total,</p> <p>13 right?</p> <p>14 A. I had 11 people and they were broken</p> <p>15 into divisions.</p> <p>16 Q. So, you had -- just make the math easy,</p> <p>17 let's do it by 10. So, you had an average per</p> <p>18 month per person about 200 override forms in your</p> <p>19 group. Does that seem about fair?</p> <p>20 A. You mean overrides that they approved?</p> <p>21 Q. If you look at the green and blue lines,</p> <p>22 they range from a little over 1,000 to a little</p> <p>23 less than 3,000. Do you see the green and blue</p> <p>24 lines?</p>

<p style="text-align: right;">Page 346</p> <p>1 A. Yes.</p> <p>2 Q. So, just to make the math easy, I just</p> <p>3 said 2,000.</p> <p>4 A. Okay.</p> <p>5 Q. Okay? Because I don't believe I have</p> <p>6 any spreadsheets --</p> <p>7 A. I get it.</p> <p>8 Q. -- or reports from Walgreens, heaven</p> <p>9 forbid, trying to tell me how many override</p> <p>10 requests there are or it's Chinese like the last</p> <p>11 spreadsheet we just looked at.</p> <p>12 So, let's just do some rough math,</p> <p>13 between you and I, and it's 2,000.</p> <p>14 A. Okay.</p> <p>15 Q. Okay?</p> <p>16 A. 2,000 override forms.</p> <p>17 Q. 2,000 override forms. And there is</p> <p>18 approximately -- let's just call it 10 people to</p> <p>19 make the math easy because it's late in the day and</p> <p>20 we're both a little tired. All right.</p> <p>21 So, 200 -- I'm sorry. 2,000 a month</p> <p>22 divided by 10 is 200, right?</p> <p>23 A. Okay.</p> <p>24 Q. So, there is approximately, I know this</p>	<p style="text-align: right;">Page 348</p> <p>1 down to one bottle and I need more." That's not</p> <p>2 sufficient.</p> <p>3 Q. They're performing an audit essentially,</p> <p>4 correct?</p> <p>5 A. My team?</p> <p>6 Q. Yes.</p> <p>7 A. My team is reviewing that all of the</p> <p>8 answers have been filled out and they have</p> <p>9 sufficient information to determine whether or not</p> <p>10 that order is deemed appropriate.</p> <p>11 Q. Do you recall Ronald Reagan's famous</p> <p>12 quote, "Trust but verify"?</p> <p>13 A. Sure.</p> <p>14 Q. Do you -- does your team, if they're</p> <p>15 told that a new hospice center opens, do they</p> <p>16 verify that?</p> <p>17 A. So, before the override form gets to my</p> <p>18 team, the local leadership has to look at it also.</p> <p>19 So, there is a chain of command, right? So --</p> <p>20 Q. So the answer to my question is no, they</p> <p>21 don't. They just trust what the local pharmacy and</p> <p>22 the supervision over that pharmacy tells them?</p> <p>23 A. Everybody has accountability and if they</p> <p>24 have any questions at all, they can contact the</p>
<p style="text-align: right;">Page 347</p> <p>1 varies, but approximately 20 business days in a</p> <p>2 month, right?</p> <p>3 A. Yes.</p> <p>4 Q. So, that would mean your group per</p> <p>5 person just on average, and I understand these are</p> <p>6 rough, is looking at about 10 override forms per</p> <p>7 day?</p> <p>8 A. Correct.</p> <p>9 Q. How long do you think it takes one of</p> <p>10 your folks to approve one of these or disapprove in</p> <p>11 the case of the 4.48% an override form?</p> <p>12 A. It depends on whether or not the proper</p> <p>13 information was submitted.</p> <p>14 Q. Okay.</p> <p>15 A. If it isn't, it takes longer.</p> <p>16 Q. Why don't you help walk me through what</p> <p>17 kind of information they are supposed to look at?</p> <p>18 A. Sure. Has the business changed, has</p> <p>19 there been new -- new things that happened in terms</p> <p>20 of an urgent care clinic opening, a surgical</p> <p>21 center, a hospice. Perhaps they got a brand-new</p> <p>22 patient that moved to the area.</p> <p>23 There's all -- I don't remember all the</p> <p>24 exact questions, but they can't just say, "I was</p>	<p style="text-align: right;">Page 349</p> <p>1 store or contact the leadership.</p> <p>2 Q. So, the question I asked was: Does your</p> <p>3 group verify if a new hospice center opens?</p> <p>4 A. I don't know every step that they take.</p> <p>5 Q. So you don't know.</p> <p>6 Do you know if the -- one of the reasons</p> <p>7 is a new hospice center opens and someone goes and</p> <p>8 looks at the actual prescriptions to see if the</p> <p>9 increase is attributable to that hospice center?</p> <p>10 A. It is part of an analysis that they can</p> <p>11 do, but I don't know if they do it for every one.</p> <p>12 Q. So, same thing with a new pain clinic.</p> <p>13 Would -- if the answer was there's a new</p> <p>14 pain clinic down the street, would your group go</p> <p>15 and look to see if in fact there is a new pain</p> <p>16 clinic?</p> <p>17 A. We would verify it with the local</p> <p>18 leadership if they felt that there was something</p> <p>19 amiss.</p> <p>20 Q. But only if there was something amiss.</p> <p>21 Otherwise they just approved it.</p> <p>22 So, the trust but verify part really</p> <p>23 didn't come into play at Pharmaceutical Integrity.</p> <p>24 They just trusted what the local store told them?</p>

<p style="text-align: right;">Page 350</p> <p>1 A. I don't think --</p> <p>2 MR. HOUTZ: Object to form.</p> <p>3 BY THE WITNESS:</p> <p>4 A. I don't agree with what you're saying.</p> <p>5 BY MR. MOUGEY:</p> <p>6 Q. Was it part of the policies and</p> <p>7 procedures in your group, when approving these</p> <p>8 thousands of override forms, that they would go and</p> <p>9 verify the information on those forms?</p> <p>10 A. Would depend on what the answers were.</p> <p>11 Q. So, let's go back to my example of the</p> <p>12 pain clinic. A new pain clinic comes in down the</p> <p>13 street. Would they go and verify?</p> <p>14 A. They could go and verify. I don't know</p> <p>15 if every one of them that they did.</p> <p>16 Listen, nobody is doing anything</p> <p>17 nefarious. They are trying to take care of the</p> <p>18 patients. They are trying to get product in to</p> <p>19 tell the patient, "Yes, I can have your</p> <p>20 prescription ready for you tomorrow. I'm sorry I'm</p> <p>21 out of your medicine today. I'm trying -- you</p> <p>22 know, I'll work on getting it for you tomorrow," or</p> <p>23 whatever.</p> <p>24 They fill out the override form. They</p>	<p style="text-align: right;">Page 352</p> <p>1 in the Memorandum of Agreement between Walgreens</p> <p>2 and the DEA, there was a store that increased 22</p> <p>3 times from 2009 to 2011, correct?</p> <p>4 A. Yes.</p> <p>5 Q. Have you seen any policies and</p> <p>6 procedures at Walgreens that would require those</p> <p>7 individuals that were responsible for suspicious</p> <p>8 order monitoring policy and procedure to verify</p> <p>9 information on these override request forms?</p> <p>10 MR. HOUTZ: Object to form.</p> <p>11 BY THE WITNESS:</p> <p>12 A. I -- I was not in place during that</p> <p>13 time. I don't know.</p> <p>14 BY MR. MOUGEY:</p> <p>15 Q. Bates No. 10, "Ceiling Limits Tool</p> <p>16 Usage."</p> <p>17 "Store visits to the ceiling limits tool</p> <p>18 for fiscal year 2015."</p> <p>19 The second kind of bullet or arrow says,</p> <p>20 "42% of all stores who've logged into the tool used</p> <p>21 it 10 times or less during the year."</p> <p>22 Right?</p> <p>23 A. Yes.</p> <p>24 Q. And the last bullet says, "Increase</p>
<p style="text-align: right;">Page 351</p> <p>1 answer the questions. If they don't answer the</p> <p>2 questions appropriately, my team can call</p> <p>3 leadership, can call the store, they have access to</p> <p>4 the Internet. They go through all different steps.</p> <p>5 I don't do these overrides. We give</p> <p>6 them parameters. And you know what? Everybody's</p> <p>7 got a job to do.</p> <p>8 Q. So, pharmacies from Walgreens here in</p> <p>9 Cuyahoga County increase 2 to 300% over a period of</p> <p>10 a couple of years.</p> <p>11 A. Was that one of the stores on this thing</p> <p>12 that you showed me earlier?</p> <p>13 Q. It's not.</p> <p>14 A. Okay.</p> <p>15 Q. So, an override form comes in and it</p> <p>16 says that a new pain clinic has opened up down the</p> <p>17 street.</p> <p>18 Is there a written policy or procedure</p> <p>19 within Pharmaceutical Integrity that your group go</p> <p>20 and verify?</p> <p>21 A. As part of the -- in terms of a policy,</p> <p>22 no.</p> <p>23 Q. There we go. So, to go back to the --</p> <p>24 one of the six examples that we looked at earlier</p>	<p style="text-align: right;">Page 353</p> <p>1 awareness around the importance of using the</p> <p>2 ceiling limits tool in the ordering process will</p> <p>3 help reduce flagged orders and mitigate delay of</p> <p>4 product delivery."</p> <p>5 Correct?</p> <p>6 A. Yes.</p> <p>7 Q. And that is Walgreens' objective is to</p> <p>8 ensure that there was no delay of product delivery,</p> <p>9 correct?</p> <p>10 A. Right. We have patients to take care</p> <p>11 of.</p> <p>12 Q. Sitting here today, do you have any</p> <p>13 understanding that the purpose of Walgreens'</p> <p>14 suspicious order monitoring policy was to help</p> <p>15 ensure that the number of pills, OxyContin,</p> <p>16 hydrocodone, that entered into our communities were</p> <p>17 only used for legitimate purposes?</p> <p>18 MR. HOUTZ: Object to form.</p> <p>19 BY THE WITNESS:</p> <p>20 A. We filled prescriptions that were</p> <p>21 written by prescribers that had valid DEA numbers,</p> <p>22 and our pharmacists went through their processes</p> <p>23 for good faith dispensing and did their</p> <p>24 corresponding responsibility and dispensed the</p>

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1 prescriptions.
 2 BY MR. MOUGEY:
 3 Q. So, as long as the prescription came in
 4 from a legitimate doctor on a legitimate
 5 prescription pad --
 6 A. And the pharmacist --
 7 Q. -- Walgreens did their job?
 8 A. And the pharmacist did their due
 9 diligence.
 10 Q. Some of these pharmacies get 4 or 500
 11 prescriptions a day, do they not, Ms. Polster?
 12 A. Yes.
 13 Q. How much due diligence when you get 4 or
 14 500 prescriptions a day does the pharmacist have
 15 the ability to do?
 16 A. It's their responsibility to do it.
 17 Q. And --
 18 A. We don't put time limits on that you
 19 have to have the prescription done at a certain
 20 time. Take your time and do your job.
 21 Q. And it was the job -- the pharmacists
 22 were on the front line. That was not the job of
 23 Walgreens headquarters to ensure that its
 24 obligations as a distributor were being filled,

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1 correct?
 2 MR. HOUTZ: Object to form.
 3 BY MR. MOUGEY:
 4 Q. Fulfilled.
 5 A. I'm sorry. Do I answer that question?
 6 I didn't understand what you meant by "fulfilled."
 7 Q. No, I understand. I get it.
 8 The pharmacists were the front line and
 9 they were the ones making sure that Walgreens was
 10 filling its role as a distributor, correct?
 11 MR. HOUTZ: Object to form.
 12 BY THE WITNESS:
 13 A. I don't even understand that question.
 14 BY MR. MOUGEY:
 15 Q. Do you believe that Pharmaceutical
 16 Integrity was designed to protect the distribution
 17 centers and stores from losing their DEA licenses?
 18 A. No.
 19 Q. Who were -- who was Pharmaceutical
 20 Integrity -- who were -- if I use the word
 21 "constituents," does that make sense to you?
 22 A. Of my team? Constituents of my team?
 23 Q. Who was the -- what was -- who was
 24 Pharmaceutical Integrity designed to protect?

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1 A. I wouldn't say it was designed to
 2 protect as much as there was work that was coming
 3 in, in terms of who the DEA would contact for
 4 questions, for data, we would get subpoenas. All
 5 of it was encompassing, and we needed a team to be
 6 able to coordinate and do it. And that's -- that's
 7 the reason why, and to my knowledge, the team was
 8 formed.
 9 Q. I hand you what we will mark as Polster
 10 26. P-WAG-2225, Bates No. 316771.
 11 (WHEREUPON, a certain document was
 12 marked as Walgreens-Polster Exhibit
 13 No. 26: 6/19/13 e-mail with
 14 attachments; WAGMDL00316771 -
 15 00316785.)
 16 BY MR. MOUGEY:
 17 Q. I just want to understand the timeline.
 18 This is an e-mail from you dated June 19, 2013?
 19 A. Yes.
 20 Q. And the bottom of this e-mail, from you,
 21 "It's been a long year and a half getting this DEA
 22 settlement in place. We want to ensure we have the
 23 proper documentation and accountability for this
 24 compliance piece."

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1 Do you see that?
 2 A. Yes.
 3 Q. The DEA settlement had been ongoing from
 4 the beginning of 2012?
 5 A. I don't know that piece, but when I got
 6 involved, I knew that we were working towards
 7 something.
 8 Q. Let's just take your plain language from
 9 this e-mail.
 10 A. Okay.
 11 Q. "It's been a long year and a half
 12 getting this DEA settlement in place." Is that
 13 accurate?
 14 A. That's what I have here.
 15 Q. Yes, ma'am.
 16 A. Yes.
 17 Q. And I understand that's what it has and
 18 that's what I just read, but the question I asked
 19 was: Is that accurate?
 20 A. From my understanding, there was work
 21 being done at the beginning of 2012 that I was not
 22 involved in until I came into my role.
 23 Q. So, the answer is yes, I believe from
 24 what I heard at Walgreens that that was an --

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<p>1 that's an accurate --</p> <p>2 A. Yes.</p> <p>3 Q. -- statement?</p> <p>4 A. Yes.</p> <p>5 Q. Thank you.</p> <p>6 MR. MOUGEY: P-WAG-1687. Polster 27.</p> <p>7 (WHEREUPON, a certain document was</p> <p>8 marked as Walgreens-Polster Exhibit</p> <p>9 No. 27: 2/19/13 e-mail string;</p> <p>10 WAGMDL00101723 - 00101732.)</p> <p>11 BY MR. MOUGEY:</p> <p>12 Q. This is an e-mail from Steve Miller</p> <p>13 (sic) to Rob Braley.</p> <p>14 Do you see that?</p> <p>15 A. Yes.</p> <p>16 Q. And Mr. Mills is part of your group,</p> <p>17 correct?</p> <p>18 A. Yes.</p> <p>19 Q. And Mr. Mills, in the middle of the</p> <p>20 paragraph at the bottom of Bates No. 101723, relays</p> <p>21 to Mr. Braley, "I have concerns that store 09144 is</p> <p>22 not following through enough with GFD policy,"</p> <p>23 that's good faith dispensing, "and the RxS should</p> <p>24 consider reeducating the store."</p>	<p>1 A. No, we had a much larger job than that.</p> <p>2 Q. Would you please go back to Polster 26.</p> <p>3 A. Okay.</p> <p>4 Q. And turn to the second page of this</p> <p>5 document that -- where you're introducing yourself</p> <p>6 and your team. Okay?</p> <p>7 A. Yes.</p> <p>8 Q. So, we just reviewed the e-mail from</p> <p>9 Mr. Mills wherein he said he was there to protect</p> <p>10 the DCs and stores from losing their DEA licenses,</p> <p>11 and you would agree with me that this bio sent</p> <p>12 around to the distribution centers was introducing</p> <p>13 yourself and the Pharmaceutical Integrity</p> <p>14 Department in June of 2013, correct?</p> <p>15 A. Yes.</p> <p>16 Q. And you have no earthly idea where</p> <p>17 Mr. Mills would have come up with the thought that</p> <p>18 he was there to protect the distribution center and</p> <p>19 stores, right? Certainly wasn't from you?</p> <p>20 A. It was part of the job, part of our</p> <p>21 team's job to do all kinds of things.</p> <p>22 Q. Ms. Polster, you just testified that you</p> <p>23 never heard that in a meeting, that that wasn't</p> <p>24 part of your mission.</p>
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<p>1 Do you see that?</p> <p>2 A. Yes.</p> <p>3 Q. The sentence goes on, "We are here to</p> <p>4 protect the DC," which is distributors --</p> <p>5 distribution centers, "and stores from losing their</p> <p>6 DEA licenses and it becomes harder to defend these</p> <p>7 types of stores to the DEA when a store is</p> <p>8 purchasing 8 times more than the chain average."</p> <p>9 Do you see that?</p> <p>10 A. Yes.</p> <p>11 Q. Was it the mission of your group,</p> <p>12 Pharmaceutical Integrity, that you were there to</p> <p>13 protect the distribution centers and stores from</p> <p>14 losing their DEA licenses?</p> <p>15 A. No. Steve is putting words in the -- in</p> <p>16 there.</p> <p>17 Q. You don't have any idea where Steve</p> <p>18 would have gotten that information?</p> <p>19 A. No, I mean, we never said that out loud</p> <p>20 in a meeting.</p> <p>21 Q. That wasn't part of the culture at</p> <p>22 Walgreens that Pharmaceutical Integrity and similar</p> <p>23 units were there to protect the distribution center</p> <p>24 and stores from losing their DEA license?</p>	<p>1 So, was it part of Pharmaceutical</p> <p>2 Integrity's mission to protect the stores or wasn't</p> <p>3 it?</p> <p>4 A. Of course, protect the stores, protect</p> <p>5 the company, protect everything.</p> <p>6 Q. Yes, ma'am. So, if you turn to the</p> <p>7 bio that you sent around, you tell the distribution</p> <p>8 centers that Pharmaceutical Integrity "was created</p> <p>9 to protect and grow Walgreens controlled substance</p> <p>10 business."</p> <p>11 Is that an accurate statement of what</p> <p>12 Pharmaceutical Integrity was designed to do by</p> <p>13 June of 2013?</p> <p>14 A. That was part of the statement. Not</p> <p>15 all-encompassing.</p> <p>16 Q. You understand at this point in time</p> <p>17 that the number of deaths from opiate overdoses</p> <p>18 year to year to year beginning in 2000 to 2013 was</p> <p>19 increasing exponentially, correct?</p> <p>20 A. It was -- yes, it was increasing, but it</p> <p>21 was starting to slow by the time all this happened.</p> <p>22 The industry started to change in 2012.</p> <p>23 Q. You understand that there were open</p> <p>24 Congressional investigations for almost a decade</p>

<p style="text-align: right;">Page 362</p> <p>1 prior to your June '13 e-mail about the over -- 2 oversupply of OxyContin, correct? 3 A. I don't know about the decade part. 4 Q. Do you have any idea that there were 5 open investigations in Congress about the 6 oversupply of OxyContin? 7 A. I -- not in those exact words. 8 Q. And yet you believe the mission of 9 Pharmaceutical Integrity, you and Mr. Mills telling 10 Walgreens employees that you were there to protect 11 and grow Walgreens controlled substance business. 12 Is that what you're telling the 13 distribution centers? 14 A. The intent of this document was to let 15 them know that my team was in place and that we 16 were the point of contact. We were letting them 17 know when the DEA inspectors came into that site, 18 one of the questions that the DEA asked was who has 19 oversight over controlled substance monitoring. 20 This was a bridge document. 21 I mean, we're not going to put -- first 22 off, nobody reads 350 pages when we send it out in 23 an e-mail to these poor people who are busy with 24 their own job.</p>	<p style="text-align: right;">Page 364</p> <p>1 that we were -- to make sure that when they put 2 together the Memorandum of Agreement, that I could 3 execute upon it. 4 BY MR. MOUGEY: 5 Q. And the reason because -- the reason why 6 you didn't take the time to read that 7 350-page roadmap from the DEA with almost 300 pages 8 of examples of problems within Walgreens' system 9 was because you were charged internally at 10 Walgreens to protect and grow Walgreens' controlled 11 substance business, correct? 12 A. No. 13 Q. There are children and people in our 14 communities dying from overdoses on a day-to-day 15 basis in our communities, and you put in writing to 16 your distribution centers that your job was to grow 17 your controlled substance business? 18 MR. HOUTZ: Object to form. 19 BY THE WITNESS: 20 A. You're putting words and twisting them 21 around so that they fit what you want to say. 22 BY MR. MOUGEY: 23 Q. Ms. Polster, I'm not putting words in 24 your mouth. You did that for me.</p>
<p style="text-align: right;">Page 363</p> <p>1 Q. You didn't even read 350 pages -- 2 A. You're exactly right. 3 Q. -- and you were in charge of 4 Pharmaceutical Integrity, right? 5 A. Exactly right. 6 Q. You were too busy to read the 350 pages 7 of examples that the DEA provided to Walgreens of 8 gaps in their system, correct? 9 A. My job -- 10 MR. HOUTZ: Object to form. 11 BY THE WITNESS: 12 A. -- was to ensure that the Memorandum of 13 Agreement that we signed was put in place and 14 executed on. 15 BY MR. MOUGEY: 16 Q. A half a day's worth of reading to go 17 through that document to understand the gaps in 18 Walgreens' position, you did not think it was 19 important as the director of Pharmaceutical 20 Integrity to review that document, correct, ma'am? 21 MR. HOUTZ: Same objection. 22 BY THE WITNESS: 23 A. I did not read the document. I relied 24 heavily on the attorneys to tell me, to make sure</p>	<p style="text-align: right;">Page 365</p> <p>1 You said that Pharmaceutical Integrity 2 "was created to protect and grow Walgreens 3 controlled substance business," correct, ma'am? 4 A. That's what's in here. 5 MR. MOUGEY: I don't think I have any more 6 questions. 7 Les, could you give me just a few 8 minutes just to kind of reorganize and let me see. 9 MR. HOUTZ: Sure. 10 MR. MOUGEY: I think I'm done. 11 THE VIDEOGRAPHER: We are off the record at 12 6:01. 13 MR. MOUGEY: Before we go off, Les, during 14 this break, would you mind please trying to track 15 down your folks downstairs or upstairs or wherever 16 we are and the production of those 27 pages we have 17 been asking about since last week. 18 MR. HOUTZ: I had the answer to that after the 19 last break. 20 MR. MOUGEY: Okay. And what was the answer? 21 MR. HOUTZ: The answer to that was that Sharon 22 Desh who you asked about sent an e-mail to the 23 Plaintiffs side, including yourself, Monday morning 24 and also sent an e-mail to Special Master Cohen</p>

<p style="text-align: right;">Page 366</p> <p>1 Monday morning asking him to formalize his ruling 2 on those documents so that we could take an appeal. 3 MR. MOUGEY: That's not what I asked you to 4 figure out. I saw the e-mail about him formalizing 5 the ruling. What I asked was were they going to 6 produce them. 7 MR. HOUTZ: We are going to appeal the ruling. 8 MR. MOUGEY: So, the answer is you are not 9 going to produce the documents. 10 MR. HOUTZ: We are going to produce the 11 documents when the judge or somebody who is the 12 final word tells us we have to produce the 13 documents. 14 MR. MOUGEY: So, you're not going to abide by 15 Special Master's order. You are going to take it 16 to Judge Polster and you are not going to produce 17 the documents. 18 MR. HOUTZ: We are going to appeal his order. 19 MR. MOUGEY: Go look at her e-mail. It 20 doesn't say that she's not going to produce them. 21 She asks him to formalize, and I followed up for 22 about three times afterwards asking her to answer 23 the simple question of whether they are going to 24 produce them or not.</p>	<p style="text-align: right;">Page 368</p> <p>1 Q. Take a look at the third page in the 2 document with Bates stamp 773. 3 A. Yes. 4 Q. In particular, the first sentence. 5 A. Yes. 6 Q. Can you read that to yourself. 7 A. Yes. 8 Q. Better yet -- well, could you read it 9 out loud. 10 A. "Rx Integrity was created to protect and 11 grow Walgreens controlled substance business while 12 transforming community pharmacy to play a greater 13 role in the Opioid Narcotic Epidemic and protect 14 our business against high risk prescribers." 15 Q. Now, Mr. Mougey asked you questions 16 about the first part of that sentence about 17 protecting and growing Walgreens' controlled 18 substance business. Do you recall that? 19 A. Yes. 20 Q. What did you mean by protecting and 21 growing Walgreens' controlled substance business? 22 A. We wanted to ensure that our pharmacists 23 understood that we are not pressuring them to fill 24 prescriptions but that they were -- we're asking</p>
<p style="text-align: right;">Page 367</p> <p>1 But thank you for following up with her. 2 I appreciate the straight answer. 3 THE VIDEOGRAPHER: We are off the record at 4 6:02 p.m. 5 (WHEREUPON, a recess was had 6 from 6:02 to 6:12 p.m.) 7 THE VIDEOGRAPHER: We're back on the record at 8 6:12 p.m. 9 MR. HOUTZ: We established during the break 10 that none of the attorneys in the room has any 11 questions. Does anybody on the phone have any 12 questions? 13 MR. WATTS: None here. 14 MS. LEWIS: No. 15 EXAMINATION 16 BY MR. HOUTZ: 17 Q. Good afternoon, Ms. Polster. We're in 18 the homestretch. 19 I want to ask you questions about two of 20 the documents that were marked earlier in your 21 deposition, beginning with the very last document, 22 Exhibit 26. 23 Do you have that? 24 A. Yes.</p>	<p style="text-align: right;">Page 369</p> <p>1 them to do their due diligence and any pharmacy 2 manager and myself as a pharmacy manager or even as 3 a pharmacy supervisor, the whole idea of being a 4 manager is to grow your business. 5 I know it says "grow controlled 6 substance business," but the job of a pharmacy 7 manager was to grow their overall business, not 8 specifically controlled substances. 9 So, what we meant there was just that. 10 I mean, we're asking our stores to protect and grow 11 their business, but my team was there to support 12 them in doing that. 13 Q. The next part of that sentence talks 14 about "transforming community pharmacy to play a 15 greater role in the Opioid Narcotic Epidemic." 16 What did you mean by that? 17 A. The role of the pharmacist and the 18 regulations around everything to do with narcotics 19 has been very fluid over the last -- you know, 20 since 2012, for example, Naloxone. It was not 21 allowed at the time for a pharmacist to dispense a 22 Naloxone prescription without a patient-specific 23 prescription and it is now in 49 states. 24 We wanted the pharmacist to be available</p>

<p style="text-align: right;">Page 370</p> <p>1 there to help and be a resource for patients should 2 questions come up, things happen that they wanted 3 to know about, anything around the narcotic 4 epidemic. We wanted to be at the forefront of 5 that, and we've dot a lot of things to do that. 6 Q. And then the last part of that sentence 7 talks about protecting "our business against high 8 risk prescribers." 9 What did you mean by that? 10 A. Walgreens was the first in the industry 11 to push back against prescribers that we felt were 12 not writing prescriptions in good faith. We were 13 the first to go on record publicly that we would 14 not fill prescriptions. We would support our 15 pharmacists if they felt that those prescriptions 16 did not meet their corresponding responsibility, 17 and it was just that. I mean, just basically 18 letting the -- the reader understand that, you 19 know, we are looking out for the stores and the 20 prescribers. 21 Q. Did you get any pushback from others in 22 the industry in that regard? 23 A. Oh, yes. 24 Q. What kind?</p>	<p style="text-align: right;">Page 372</p> <p>1 they feel the prescription doesn't meet good faith, 2 then we support their decision in not filling the 3 prescription. 4 Q. Let me ask you about some other 5 statements in this letter or this document. 6 The second sentence says, "Rx Integrity 7 is responsible for managing, creating and 8 maintaining controlled substance dispensing, 9 monitoring and reporting programs including the 10 Good Faith Dispensing Policy and the National Good 11 Faith Dispensing program." 12 Is that an accurate statement of some of 13 the things that Rx Integrity was responsible for? 14 A. Yeah, but I notice there is a typo here. 15 National Target Good Faith Dispensing program 16 was -- is what's supposed to be in that second word 17 there around the policy. 18 Q. Tell me, then, what's the difference 19 between the Good Faith Dispensing Policy and the 20 National Target Good Faith Dispensing program. 21 A. So, the Good Faith Dispensing Policy has 22 been a policy that's been in place ever since I can 23 remember with Walgreens when I started dispensing 24 controlled substance prescriptions.</p>
<p style="text-align: right;">Page 371</p> <p>1 A. I would say I would get anywhere from 2 three to five calls a week personally of doctors 3 upset that our pharmacists weren't filling their 4 prescriptions. I would get calls from leaders all 5 the way up to the CEO would get calls and then it 6 would roll downhill to me. The AMA got involved. 7 It was -- it was something. 8 Q. How did the AMA get involved? 9 A. They -- they wrote a -- I call it a 10 letter, but I think it's called something else, 11 where they went on record saying that our 12 pharmacists were practicing medicine and their 13 doctors wrote prescriptions and we should just fill 14 them and we shouldn't question them. 15 I refer to it very affectionately as the 16 "Don't call us, we'll call you" letter because they 17 flat us told us, "Don't bother calling us, just 18 fill our prescriptions. When our members write 19 prescriptions, we expect you to fill them." 20 Q. And how did you respond to that? 21 A. I told them that -- we had a lot of 22 meetings and phone calls with them and every call 23 was our pharmacists have a corresponding 24 responsibility. It's in the regulation. And if</p>	<p style="text-align: right;">Page 373</p> <p>1 The National Target Good Faith 2 Dispensing program was an additional policy that 3 was put in place to have the pharmacists take 4 additional steps to document when they filled 5 prescriptions for what drugs the DEA deemed as 6 being high risk, like Oxy, hydromorphone, 7 Methadone. 8 Q. What were some of the main components of 9 the original Good Faith Dispensing Policy? 10 A. Reiterating -- reiterating regulations 11 around the responsibilities of a pharmacist when 12 filling a controlled substance prescription. It 13 gave high level, if a patient is not, you know -- 14 of red flags basically that a pharmacist should be 15 looking for when filling a controlled substance 16 prescription. 17 Q. And what sort of things did the National 18 Target Good Faith Dispensing program add on top of 19 that? 20 A. We -- we implemented a checklist that 21 went along with that program where the pharmacist 22 had to document all the steps that they took before 23 determining whether or not that prescription should 24 be filled, and those -- those pieces were primarily</p>

<p style="text-align: right;">Page 374</p> <p>1 based on the red flags that the DEA had identified.</p> <p>2 Q. Are you proud of the job that</p> <p>3 Rx Integrity did in carrying out those</p> <p>4 responsibilities?</p> <p>5 A. Yes.</p> <p>6 Q. A little further down in the paragraph</p> <p>7 it says, "The Rx Integrity team will investigate</p> <p>8 and report potential violations of laws,</p> <p>9 regulations or Company policy internally and</p> <p>10 suspicious orders externally to the DEA, State</p> <p>11 Boards, and other agencies as required."</p> <p>12 Is that an accurate statement about what</p> <p>13 the Rx Integrity team did?</p> <p>14 A. Yes.</p> <p>15 Q. And are you satisfied that your people</p> <p>16 did that well?</p> <p>17 A. Yes.</p> <p>18 Q. Then the paragraph below that says,</p> <p>19 "The team works with various departments, including</p> <p>20 Legal, Government Affairs, Logistics, Loss</p> <p>21 Prevention, IT and others, to ensure company-wide</p> <p>22 awareness and adhere federal, state and local laws</p> <p>23 and regulations."</p> <p>24 Did Rx Integrity do that?</p>	<p style="text-align: right;">Page 376</p> <p>1 paragraph says, "Rx Integrity is tasked in</p> <p>2 developing a collaborative working relationship</p> <p>3 with government, law enforcement and industry</p> <p>4 organizations (e.g., DEA, FDA, State Boards of</p> <p>5 Pharmacy, National Retail Federation, Retail</p> <p>6 Industry Leaders Association, National Association</p> <p>7 of Drug Diversion Investigators) to drive industry</p> <p>8 leading solutions to pharmaceutical diversion."</p> <p>9 Was your group involved in driving</p> <p>10 industry-leading solutions to pharmaceutical</p> <p>11 diversion?</p> <p>12 A. Yes.</p> <p>13 Q. How so?</p> <p>14 A. We were part of opioid task force with</p> <p>15 NACDS. We went to numerous meetings.</p> <p>16 This is an industry-wide problem, and</p> <p>17 it's going to take everybody to help solve it.</p> <p>18 So, I am still currently involved as</p> <p>19 well as, you know, trying to come up with other</p> <p>20 ideas of things that we could do differently or</p> <p>21 better, taking what's happening in the industry,</p> <p>22 taking what's happening, you know, in pharmacy and</p> <p>23 trying to make changes for the better.</p> <p>24 Q. That's all for that document. Could you</p>
<p style="text-align: right;">Page 375</p> <p>1 A. Yes.</p> <p>2 Q. How did your team work with various</p> <p>3 other departments to assure company-wide awareness</p> <p>4 and compliance with regs?</p> <p>5 A. Oh, they were part of meetings.</p> <p>6 Occasionally we would have town halls or like legal</p> <p>7 meetings where I would present of all the work that</p> <p>8 my team was doing around controlled substances</p> <p>9 since the team was formed.</p> <p>10 We worked closely with loss prevention</p> <p>11 if we had concerns that would filter up to us from</p> <p>12 the field about anything, you know. They are</p> <p>13 missing controlled substances and they need</p> <p>14 somebody to investigate it or they have a doctor</p> <p>15 they're concerned of.</p> <p>16 Sometimes we would have -- ask loss</p> <p>17 prevention to do a drive-by the doctor's office to</p> <p>18 see if there was anything that didn't look right</p> <p>19 based on some of the red flags that I had learned</p> <p>20 in some of my industry meetings that I was in</p> <p>21 around, you know, what was considered a pill mill</p> <p>22 or how you would identify a pill mill, those sort</p> <p>23 of things.</p> <p>24 Q. And then the last sentence in this</p>	<p style="text-align: right;">Page 377</p> <p>1 also pull out Exhibit 16.</p> <p>2 A. Yes.</p> <p>3 Q. You're on the second page of the</p> <p>4 document, correct?</p> <p>5 A. Yes.</p> <p>6 Q. And there is a paragraph that says</p> <p>7 "SOM Meetings" and the bullet point is, "Work group</p> <p>8 has been put together to begin the determination</p> <p>9 between a suspicious order and an order of</p> <p>10 interest."</p> <p>11 Do you remember that you were asked some</p> <p>12 questions about that earlier today?</p> <p>13 A. Yes.</p> <p>14 Q. Let me ask you what you meant by that.</p> <p>15 What does it mean to say you were put</p> <p>16 together to begin the determination between a</p> <p>17 suspicious order and an order of interest?</p> <p>18 A. Well, my team needed to understand when</p> <p>19 an order of interest came in, what made it</p> <p>20 suspicious. So, we had to give them a type of</p> <p>21 criteria or some type of guidelines as to whether</p> <p>22 or not that order should be reported to the DEA or</p> <p>23 it should ultimately be -- go on to the DC or the</p> <p>24 wholesaler in order to fill.</p>

<p style="text-align: right;">Page 378</p> <p>1 Q. So, did you develop guidelines?</p> <p>2 A. I don't know if I've got anything</p> <p>3 written down, but I know we had meetings about it</p> <p>4 and worked with my team to determine if it's</p> <p>5 suspicious -- if it was a suspicious order or an</p> <p>6 order of interest.</p> <p>7 Q. Now, was every order of interest</p> <p>8 investigated in some way, to your knowledge?</p> <p>9 A. Yeah, to my knowledge, if it came in</p> <p>10 through the controlled substance override form,</p> <p>11 yes.</p> <p>12 Q. And what kind of investigation was done?</p> <p>13 A. It really depended on what the ask was,</p> <p>14 but history of the stores ordering, how much extra</p> <p>15 quantity the store wanted at the time, what was</p> <p>16 happening in the store, what's changed their</p> <p>17 business, was there a buyout where we had volume</p> <p>18 coming into the store because we, you know -- the</p> <p>19 pharmacy down the street closed and therefore we</p> <p>20 were getting new business. What changed in that</p> <p>21 area or what's different in that area that would</p> <p>22 require more of that particular drug to go into the</p> <p>23 store.</p> <p>24 Q. So, after you conducted that</p>	<p style="text-align: right;">Page 380</p> <p>1 started using the primary wholesaler and then we</p> <p>2 were whittling down what was in the inventory of</p> <p>3 the DCs to exhaust that. So, it took some time,</p> <p>4 but I think it was the beginning of '14 maybe</p> <p>5 before we were completely out of the business.</p> <p>6 Q. Since -- assuming it was the beginning</p> <p>7 of '14, do you know how the pharmacies have gone</p> <p>8 about purchasing drugs since then?</p> <p>9 A. Yes.</p> <p>10 Q. So, today, if a Walgreens store wants to</p> <p>11 purchase a controlled substance, they can't get</p> <p>12 them from Walgreens distribution, correct?</p> <p>13 A. Correct.</p> <p>14 Q. Where do they go?</p> <p>15 A. They have to use the ordering system</p> <p>16 that we have. So, they have to place it through</p> <p>17 the ordering system which goes -- goes into Wayne's</p> <p>18 algorithm and if they try to exceed that, it --</p> <p>19 it's right back to where it was, cut to zero.</p> <p>20 They have to -- then they go into the</p> <p>21 ceiling tool and they can use the ceiling tool to</p> <p>22 tell them that they -- they have room in their --</p> <p>23 the amount of inventory that they can get in and if</p> <p>24 the ceiling tool -- if they need more than what the</p>
<p style="text-align: right;">Page 379</p> <p>1 investigation and you determined, if you</p> <p>2 determined, that the order was appropriate, what</p> <p>3 would you do?</p> <p>4 A. Then the team would place the order on</p> <p>5 behalf of the store and document, you know -- file</p> <p>6 that document for the override so that we would</p> <p>7 have something to refer back to.</p> <p>8 Q. And after the investigation, if you</p> <p>9 determined that you thought the order was not</p> <p>10 appropriate, what would you do?</p> <p>11 A. We would send it to the DEA as a</p> <p>12 suspicious order.</p> <p>13 Q. Did you send it to the DEA every time as</p> <p>14 a suspicious order when after investigation you</p> <p>15 thought it wasn't appropriate?</p> <p>16 A. Yes. If it was not deemed appropriate,</p> <p>17 we sent it to the DEA.</p> <p>18 Q. One last topic. You had mentioned that</p> <p>19 Walgreens does not act as a distributor of</p> <p>20 controlled substances anymore, correct?</p> <p>21 A. Correct.</p> <p>22 Q. And when did Walgreens stop being a</p> <p>23 distributor of controlled substances?</p> <p>24 A. I don't remember the exact date, but we</p>	<p style="text-align: right;">Page 381</p> <p>1 ceiling tool recommends, they have to use a CSO</p> <p>2 override form.</p> <p>3 Q. And if they go through that process,</p> <p>4 Pharmaceutical Integrity is convinced that the</p> <p>5 order is okay, how does that order get submitted</p> <p>6 and who does it get submitted to?</p> <p>7 A. Then the order is released and then it</p> <p>8 goes into -- to the wholesaler, and right now it's</p> <p>9 ABC.</p> <p>10 Q. And if a store puts in an override</p> <p>11 request form, does that go directly from the store</p> <p>12 to Pharmaceutical Integrity or are there some stops</p> <p>13 along the way?</p> <p>14 A. Yeah, stops along the way. The</p> <p>15 leadership has to know that they're requesting</p> <p>16 extra and then if the leadership approves it, then</p> <p>17 it goes into my team.</p> <p>18 Q. So, you wouldn't see any override</p> <p>19 request coming from a store until their leadership</p> <p>20 told you they thought it was okay?</p> <p>21 A. That's correct.</p> <p>22 MR. HOUTZ: Thanks. Nothing else.</p> <p>23 Peter, anything else?</p> <p>24 MR. MOUGEY: I don't have anything further.</p>

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1 Thank you.
 2 MR. HOUTZ: We're done.
 3 MR. MOUGEY: Thanks, everybody.
 4 THE VIDEOGRAPHER: We are off the record at
 5 6:30 p.m.
 6 (Time Noted: 6:30 p.m.)
 7 FURTHER DEPONENT SAITH NAUGHT.
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 2 I, CORINNE T. MARUT, C.S.R. No. 84-1968,
 3 Registered Professional Reporter and Certified
 4 Shorthand Reporter, do hereby certify:
 5 That previous to the commencement of the
 6 examination of the witness, the witness was duly
 7 sworn to testify the whole truth concerning the
 8 matters herein;
 9 That the foregoing deposition transcript
 10 was reported stenographically by me, was thereafter
 11 reduced to typewriting under my personal direction
 12 and constitutes a true record of the testimony
 13 given and the proceedings had;
 14 That the said deposition was taken
 15 before me at the time and place specified;
 16 That the reading and signing by the
 17 witness of the deposition transcript was agreed
 18 upon as stated herein;
 19 That I am not a relative or employee or
 20 attorney or counsel, nor a relative or employee of
 21 such attorney or counsel for any of the parties
 22 hereto, nor interested directly or indirectly in
 23 the outcome of this action.
 24

CORINNE T. MARUT, Certified Reporter

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1 INSTRUCTIONS TO WITNESS
 2
 3 Please read your deposition over
 4 carefully and make any necessary corrections. You
 5 should state the reason in the appropriate space on
 6 the errata sheet for any corrections that are made.
 7 After doing so, please sign the errata
 8 sheet and date it.
 9 You are signing same subject to the
 10 changes you have noted on the errata sheet, which
 11 will be attached to your deposition.
 12 It is imperative that you return the
 13 original errata sheet to the deposing attorney
 14 within thirty (30) days of receipt of the
 15 deposition transcript by you. If you fail to do
 16 so, the deposition transcript may be deemed to be
 17 accurate and may be used in court.
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 2 E R R A T A
 3 - - - - -
 4 PAGE LINE CHANGE
 5 _____
 6 REASON: _____
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2 **ACKNOWLEDGMENT OF DEPONENT**
3
4 I, TASHA POLSTER, do hereby certify
5 under oath that I have read the foregoing pages,
6 and that the same is a correct transcription of the
7 answers given by me to the questions therein
8 propounded, except for the corrections or changes
9 in form or substance, if any, noted in the attached
10 Errata Sheet.
11
12
13
14 _____
15 TASHA POLSTER DATE
16
17 Subscribed and sworn
18 to before me this
19 ____ day of _____, 20____.
20 My commission expires: _____
21
22 _____ Notary Public
23
24

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1 **LAWYER'S NOTES**
2 **PAGE LINE**
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